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ECONOMIC DEVELOPMENT AND PLANNING IN ASIA AND THE FAR EAST

CONFERENCE OF ASIAN ECONOMIC PLANNERS (FIRST SESSION)

- A Decade of Development Planning and Implementation
- Administrative Machinery for Planning
- The Scope for Regional Economic Co-operation

Economic Bulletin for Asia and the Far East
Vol. XII, No. 3 December 1961

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PREFATORY NOTE

The First Session of the Conference of Asian Economic Planners was held in New Delhi, India, from 26 September to 3 October 1961. The Conference considered mainly the following three substantive questions:

1. Progress and problems of economic development planning and implementation in the ECAFE region;
2. Organization and improvement of administrative machinery for planning and implementation;
3. Possible scope and means of regional economic co-operation for development in Asia and the Far East.

The ECAFE secretariat prepared papers on each of these questions to serve as the basis for deliberations at the Conference. These papers are included, with some revisions, in the present issue of the *Bulletin*, together with the findings of the Conference.

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A DECADE OF DEVELOPMENT PLANNING AND IMPLEMENTATION IN THE ECAFE REGION*

I. THE CENTRAL ROLE OF PLANNING

Planning appears to have been widely accepted as an essential and pivotal means of guiding and accelerating economic development in under-developed countries. That the functioning of the traditional economies left alone may perpetuate stagnation and wide fluctuations, that private initiative unaided may not easily gather sufficient momentum to generate economic growth, that the market mechanism with all its imperfections cannot be solely relied on for mobilizing and utilizing effectively the available resources to achieve a maximum possible rate of growth — these are the basic reasons for planned economic development. Broadly speaking, planning[1] inevitably involves at least some centralized decision-making and some government action in effecting such decisions in a co-ordinated way.

There are in the real world no completely planned and completely unplanned economies; planning is obviously a matter of degree. In the countries of the region, the degree of planning varies widely. Thus, there is on the one hand the centrally planned economy in mainland China (and also north Korea and north Viet-Nam) where most labour, material and equipment resources are allocated by the Government to the majority of the production units, which dispose of the major part of their products according to central direction. On the other hand, there is the predominantly private enterprise economy of Japan, in which planning means chiefly projection by the Government, of the economic activity (including that of the Government) and the influence of the Government on the rate of growth through fiscal and monetary policies. In between these two extremes, come the other countries of the region with different shades of "mixed economy", in which planning contains two important elements, namely (*i*) the government's direct utilization of saving to carry out investment and management of resources for production, particularly in providing economic and social infrastructure, and (*ii*) the government's measures to facilitate, stimulate, guide and even control private economic activity. It goes without saying that in all these countries, regardless whether their economy is centrally planned, predominantly private enterprise, or "mixed", the government plays the common role of creating the general conditions for development, *e.g.* political and monetary stability, and of making known the available resources and development potentialities. Depending on the degrees of planning, countries of the region encounter different problems. Since information on the centrally planned economies of the region is not readily available, and Japan's problem of planning is of quite a different dimension, this paper will deal largely with the other countries of the region which are under a system of "mixed economy" embarking upon a planned economic development from the present low income level.

Practically all countries of the region are now receiving guidance from a plan of some sort of further economic development. India has embarked upon its third plan, other countries are completing their second plans, and still others are implementing their first plan. The immediate driving force for the preparation of a first plan to symbolize entrance into the planning field varies among countries of the region. In some countries, such as India, it sprang from the conviction that "planning is essentially an attempt at working out a rational solution of problems", and that economic planning means "utilizing more effectively the potential resources available to the community".[2] Recently, Prime Minister Nehru stated more emphatically that "It is only through a planned approach on socialistic lines that steady progress can be attained . . .".[3] In other countries, such as Indonesia, it came from the idea that a development plan would give more substance to political independence.[4] In still others such as the Republic of China and the Republic of Korea, it arose chiefly from the need to secure foreign aid.

Whatever its motivation and scope, the first plan usually represented national aspirations, and brought to focus the national objectives of development; in this way it tended to arouse the enthusiasm of the people and enlist their support towards the common goal. Implicit in the resort to planning is the recognition of the importance and the vast increase (both in strength and in variety) of government functions.

In subsequent plans, the investment programmes are generally more comprehensively formulated, their segments more interrelated, and development policies and measures more co-ordinated, although much still remains to be desired.

In the following sections of this paper, experience in development planning and implementation, as well as the problems encountered in countries of the region, will be briefly analysed within the limits of available information.

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* Revised version of E/CN.11/CAEP.1/L.2, a paper prepared by the ECAFE secretariat for the first session of the Conference of Asian Economic Planners.

[1] While the word "planning" is used in different meanings in current literature, it is not intended here to indulge in an academic discussion of the definition.

[2] Planning Commission, Government of India, *The First Five-Year Plan*, p.7.

[3] Jawaharlal Nehru, "The Basic Approach", in all India Congress Committee, *Economic Review*, Vol. X, No. 8-9, 15 August 1958, (New Delhi), p.6.

[4] National Planning Bureau, "Some Explanations on Indonesia's 1956-60 Five-Year Development Plan" in *Ekonomi dan Keuangan Indonesia*, (Nov. 1956), p.661.

II. SCOPE AND OBJECTIVES OF DEVELOPMENT PLANS

SCOPE

The scope and comprehensiveness of development plans vary widely among countries of the region. The first plans were almost invariably a summation of a number of individual projects in the public sector, many of which were already being implemented. Some of the plans contain certain aggregate targets, such as the rate of increase of national income in India's First Five-Year Plan and the extent of absorption of the unemployed in Ceylon's Six-Year Investment Programme. Others, such as the Afghanistan First Five-Year Plan, do not provide aggregate targets, for lack of statistics on national income and employment. Even in those first plans where income and employment targets were given, the functional relationship between the investment programme as a whole and the expected increase in national income and employment was hardly more than a guess, because of lack of accurate information on the capital/output ratio and capital/labour ratio.

The comprehensiveness of a plan depends chiefly on the stage of development of the economy, the availability of statistical data and the supply of qualified planners. In the period of early postwar rehabilitation or under conditions of political instability or inflation, it has not been advisable to introduce a comprehensive plan. In such circumstances, efforts were naturally concentrated on sound reconstruction projects or stabilization programmes. This was the case of the first plans in China: Taiwan and south Korea. When severe inflation prevails, a comprehensive plan may become unrealistic and impracticable, for it is difficult to evaluate development projects correctly under a distorted cost price structure, and the introduction of a relatively ambitious investment programme may aggravate economic instability. Lack of stability was perhaps the main reason which made Indonesia's and south Viet-Nam's first five-year plans practically inoperative.

Shortage of statistical data and qualified planners are the main reasons why several comparatively less developed countries of the region cannot produce a comprehensive plan. Judging from their stages of development, it may be practicable for them to begin with a plan containing mainly a number of technically feasible and economically justifiable individual projects, without too much emphasis on aggregate income, employment targets and inter-industry co-ordination. Of course, in the evaluation of individual projects for inclusion in the plan, external economies and other indirect benefits should, as far as possible, be taken into consideration. In any case, in the foreign-trade-oriented economies, inter-industry imbalance can be corrected and adjusted largely through imports, particularly when a large amount of foreign aid is available. The important thing for these countries is a start in the right direction. However, development policies suitable to their economic system and needs should be designed and included in their first plans to guide, foster and stimulate economic activity in the private sector. The absence of income (and employment) targets would mean that the nation would be unable to grasp in a nutshell what the plan was meant to achieve; yet it would not necessarily deprive the plan of its operational value if the projects included are well conceived and development policies well designed.

Gains in experience and improvement in the availability of statistical data have tended to make the subsequent plans more comprehensive.

Generally speaking, a comprehensive plan should consist at least of the following parts:

(1) Objectives and aggregate targets, primarily in terms of national income and employment;

(2) A public investment programme with distribution of development expenditures among major sectors, chiefly for building up the economic and social infrastructure;

(3) A projection of private investment among various major sectors;

(4) Policy measures (especially in the fiscal, financial, foreign trade, foreign exchange and foreign investment fields) to stimulate, direct and influence private investment;

(5) A programme, co-ordinated with (4), for financing public and private investment from domestic and foreign sources, including particularly the government budget and foreign exchange budget;

(6) Sectoral programmes containing individual projects; and

(7) Policies aiming at basic institutional changes, including land reform, labour policy, etc.

This scheme would provide a yardstick for reviewing the progress made and problems encountered in development planning and implementation in countries of the region, although it is not possible to deal with all of them, especially (6) and (7), in this paper. In this section, the first item of objectives and targets is taken up.

OBJECTIVES

A development plan symbolizes the national aspirations on which efforts should be concentrated. It is in this connexion that the objectives of the plan should be clearly stated. A review of the development plans of countries of the region has revealed a rather long list of objectives often vaguely stated and sometimes mutually contradictory. The ECAFE's first Group of Experts on Programming Techniques listed seven in its report,[5] and even this list can be expanded. There is, no doubt, need for clarification. Generally speaking, qualitative objectives should be distinguished from quantitative ones. The former are usually long-run in nature with no definite time limit. These include "a socialistic pattern of society", "a reduction of inequalities in income distribution", "a diversified economy", "laying the basis for self-sustained growth", etc. In contrast to these, such objectives as "a rapid increase in *per capita* income or standard of living", or "a high level of employment", can easily be given in quantitative terms, for both the long and the short run. Also, some objectives may be valid in the short run but not necessarily so in the long run, and even in the short run they may be considered as providing adequate conditions for development rather than as objectives *per se*. "A relative stable price level" and "an improvement in the balance of payments", may be cited as examples in this regard.

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[5] United Nations, *Programming Techniques for Economic Development with special reference to Asia and the Far East,* (Sales No:60. II.F.3), p.6.

In most countries of the region, an increase in national and *per capita* income has been set as the basic and major objective in development plans. It can be quantified as a yardstick to measure the improvement in material well-being and treated as an over-all target in both the short and long run, especially for countries with hardly any population pressure at present. Thus, in the second Four-Year Plan of Burma, the total cost of providing work for new workers is estimated to be much less than the investment required to achieve the income target of a 6 per cent increase per annum. The planning authority therefore need only concern itself with the achievement of the income target. On the other hand, in countries with heavy population pressure, the task of providing jobs for the unemployed and for the new labour force is inevitably pressing. Thus the Ten-Year Plan of Ceylon and the first Four-Year Plan of Singapore both emphasized, as the major objective, the achievement of a higher level of employment. In almost all other countries, income, rather than employment, has been emphasized as the major objective.

It is often thought that in over-populated countries there is a conflict between maximizing the increase in income or output and maximizing the increase in employment. This is because in most production fields, the use of modern techniques involves a low labour/capital ratio which would result in higher productivity per unit of labour and also perhaps higher business saving and investment potentials, than if less productive labour-intensive techniques were used. But the low labour/capital ratio would mean less employment creation. It is often argued that the core of economic development is an increase in productivity per worker. Nevertheless, for the society as a whole, if productivity per worker has increased too far, a point may well be reached where, owing to the large extent of unemployment, income per head of the whole population (not just the active working population), may not be maximized. Thus the conflict is not so much between an increase in *per capita* income and an increase in employment, but rather an increase in productivity and an increase in employment. There is, of course, also the social consideration that large unemployment may create social unrest. Thus another school of thought holds that productivity should not be increased too rapidly, and that labour-intensive production techniques should be used wherever they are not too uneconomical. While the exact increase in income or employment cannot be deduced from a given investment programme unless the output/capital ratio and the labour/capital ratio are known (and these in almost all countries of the region are not accurately known), the relative emphasis on income or employment would affect the choice of techniques for individual projects and the choice of combinations of projects in the investment programme. It is mainly for the purpose of guiding the formulation of the investment programme that an indication of the relative emphasis in the basic objectives in the plan is desirable.

In setting the over-all income target, there are two possible approaches. One is to fix a desirable rate of growth in *per capita* income by comparing the rates of increase in total national income and in population. In under-developed countries, the desirable rate of growth of *per capita* income is usually fixed in reference to that of economically advanced countries, in order to see that the existing gap is narrowed as soon as possible. The investment required to achieve such a target is then compared to the maximum domestic financial resources available. The gap is to be financed by foreign resources which, of course, cannot be depended upon for certain. But if the development of under-developed countries, and the consequent narrowing of the gap in the levels of living between the under-developed and the developed countries is of international concern, this approach may be justified. However, in reality, its feasibility depends a great deal on the position of the country concerned in the international context and the extent to which it can draw upon external assistance.

The other approach is more conservative. The target growth rate is fixed with reference to the availability and the optimum use of resources. This approach is reflected in the second Five-Year Plan of the Federation of Malaya. In its preface it was stated: "The targets envisaged in the Plan have been framed not in terms of ideal and ambitious goals but in terms of objective feasibility which is realistic in relation to the resources and capacity of the country". However, it may be argued that the resources and capacity of the country for development are not fixed. They also depend upon how far a country decides to devote its resources and efforts to development. Thus, an ambitious target may enlist greater enthusiasm among the people and make it possible for the government to strive harder, while a modest target, carefully tailored to probable resources, may result in a growth rate barely sufficient to meet the needs of an expanding population.

Professor Lewis has advocated a lower limit of a 2 per cent annual increase in *per capita* income for under-developed countries in Asia and Africa. He regarded this rate of growth as fairly rapid, as it is just over the rate achieved by the United States over the past seventy years, while at the same time it is not too difficult to maintain once it has been achieved. A rate exceeding 3 per cent, though attainable, would appear to him to impose an excessive strain on the economy.[6] Of the countries of the region, Japan is far ahead in the planned rate of increase in *per capita* income (5-7 per cent per annum during 1955/56-1961/62), the Federation of Malaya is well behind at below 1 per cent per annum during 1960-65, while Burma, China: Taiwan, India and Iran have a comparatively high rate of planned increase in *per capita* income at 3.5-3.8 per cent during their current plan periods. In the other countries, listed in table 1, the rates of *per capita* income increase in their current plans fall between 1.5 and 3 per cent. It might be interesting if countries with targets of less than a 2 per cent annual increase in *per capita* income (particularly the Federation of Malaya whose availability of financial resources does not appear meagre) took steps to determine whether they could achieve a higher rate of growth.

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[6] W. Arthur Lewis, "Sponsored Growth: A Challenge to Democracy", in *Problems of Economic Growth* (Report of a Seminar organized by Congress for Cultural Freedom held in Tokyo), (Delhi, 1960).

Table 1

PLANNED ANNUAL RATE[a] OF INCREASE IN POPULATION AND NATIONAL AND PER CAPITA INCOME

Country	*Plan period*	*Population*	*National income*	*Per capita income*
Burma	1952/53–1959/60	1.2	7.4[b]	6.2[b]
	1961/62–1964/65	2.3	5.9[b]	3.6[b]
Cambodia	1959 – 1964	3.0	5.0[b]	2.0[b]
Ceylon	1957 – 1968	3.0	5.9	2.9
China: Taiwan	1957 – 1968	3.7	7.4	3.7
Fed. of Malaya	1960 – 1965	3.3	4.1[c]	0.8[c]
India	1951/52/1955–56	1.2	2.1	0.9
	1956/57–1960/61	1.3	4.6	3.3
	1961/62–1965/66	2.2	6.0	3.8
Indonesia	1956 – 1960	1.7	3.0	1.3
	1961 – 1969	2.3	3.7	1.4
Iran	1955/56–1961/62	2.6	0.6	3.4
	1962/63–1966/67	2.5	0.6	3.5
Japan	1953/54–1959/60	0.8	4.5[c]	3.7[c]
	1955/56–1961/62	0.8	6.5[c]	5.7[c]
	1961/62–1970/71	0.9	7.2[c]	6.3[c]
Pakistan	1955/56–1959/60	1.5	2.8	1.4
	1960/61–1964/65	1.9	3.7	1.8
Philippines	1959/60–1961/62	3.1	5.9[c]	2.8[c]
Thailand	1961 – 1966	2.0	5.0[c]	3.0[c]

Sources:

Burma: Ministry of National Planning, *Second Four-Year Plan for the Union of Burma (1961-62 to 1964-65)*, 1961; Superintendent, Government Printing and Stationery, Union of Burma, Rangoon.

Cambodia: Ministere du Plan, *Premier Plan Quinquennial Cambodge, 1960-1964.*

Ceylon: National Planning Council, *The Ten-Year Plan*, the Planning Secretariat, Colombo, Ceylon, 1959.

China (Taiwan): Economic Stablization Board, Executive Yuan, the Republic of China, *Highlights of the Second Four-Year Plan for the Economic Development in Taiwan*, August, 1957.

Federation of Malaya: Federation of Malaya, *Second Five-Year Plan, 1961-1965.*

India: Planning Commission, *First Five-Year Plan*, 1952; *Second Five-Year Plan*, 1956; *Third Five-Year Plan*, 1961.

Indonesia: National Planning Bureau, "Some Explanation of Indonesia's 1956-1960 Five-Year Development Plan", *Ekonomi dan Kenangan Indonesia*, Vol. IX, No. 11, November 1956. National Planning Council, *Broad Outlines of National Overall Development Plan, 1961-1969.*

Iran: Statement of Dr. T. Mortazavi, Representative of Iran at the Conference of Asian Economic Planners, on 27 September 1961.

Japan: Economic Planning Board, *Economic Self-support Five-Year Plan*, 1955; Economic Planning Agency, *New Long-Range Economic Plan of Japan (FY 1958-FY 1962)*; Economic Planning Agency, *New Long-Range Economic Plan, 1961-1970: Doubling National Income Plan.*

Pakistan: Government of Pakistan, National Planning Board, *The First Five-Year Plan, 1955-60*, December 1957. Government of Pakistan, Planning Commission, *The Second Five-Year Plan (1960-65)*, June 1960.

Philippines: National Economic Council, *Three-Year Programme of Economic and Social Development* (FY 1959/60 to FY 1961/62).

Thailand: National Economic Development Board, *Six-Year Development Plan, 1961-1966.*

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[a] Compound rate of increase.

[b] Gross domestic product.

[c] Gross national product.

III. INVESTMENT PROGRAMME: THE OVER-ALL ASPECT

The investment programme is the core of a development plan. It has two important aspects, namely, size and composition. While the former largely determines the rate of growth, the latter reflects the strategy of development. The formulation of an investment programme is a complicated process of adjustments in many ways: from above or from below, between requirements and availability of resources, through competition between or complementarity of individual projects. Total investment requirement is usually derived by a given capital/output ratio once an over-all target of income increase is established. The total investment requirement so derived is then checked against the availability of financial resources, domestic as well as external, and the assessment of financial resources may lead to a readjustment of the income target and the volume of investment. Thus, the assessment of resource availability, and the determination of the income target and investment requirements are generally carried out simultaneously, for they are interrelated. If no over-all income target is set, either on account of the non-availability of national income estimates and projections or for other reasons, the investment requirement is generally balanced only with the anticipated financial resources, and no capital/output ratio is used. However, if a certain likely capital/output ratio is applied, for instance, a capital/output ratio in a neighbouring or some other country (which is at the same stage of economic development and has a similar economic structure), the rate of income increase can be guessed through the familiar Harrod-Domar model.

Nevertheless, caution must be exercised in the use and as regards the reliability of the capital/output ratio.[7] First, although available data show that, for a number of industrialized countries, "the capital/output ratio for a national economy as a whole remains stable over somewhat longer periods",[8] its variability in under-developed countries during an intermediate plan period should not be neglected. In the under-developed economies, where agriculture is dominant, weather changes tend to affect the total national output considerably, but exercise very little influence on capital formation. Thus, the capital/output ratio estimated at 2.3 in India's first Five-Year Plan was actually only 1.8, on account of bumper crops due to favourable weather. Moreover, better use of idle capacity may yield a lower capital/output ratio, as was found in Ceylon and India during the early postwar years.[9] Secondly, the capital/output ratio includes, on the capital side, only physical capital. But in the development outlays of almost all the plans, "investment" expenditure on "human capital" is also included, and it is hardly possible to quantify the effects of such expenditures on output. Conceptionally, investment in health, education and other social welfare chiefly affects the capital/output ratio, and should not be included in capital as conventionally defined. Thirdly, in countries of the region, capital formation and national income statistics from which the capital/output ratio is derived, are generally of a rough nature, and the time lag between investment and output is usually arbitrarily assumed. The capital/output ratio thus arrived at tends to be rather unreliable for planning purposes, especially when the time series of such statistics is short. Thus, a target of a 5 per cent increase in income, on the basis of an assumed capital/output ratio of 3, would result in an investment requirement of 15 per cent of the national income, while an assumed ratio of 2.5 would result in an investment requirement of 12.5 per cent. Such a variation of 0.5 in the capital/output ratio is not unusual in the assumptions of the planners, but the difference in the capital requirement of 2.5 per cent of the national income is certainly a large one. In the current plans of countries of the region, the capital/output ratio varies rather widely from 2 to 4 (see table 2).

Owing to the shortcomings mentioned above, the capital requirement arrived at in the manner first described cannot, by itself, be relied upon, and the assessment of the availability of financial resources may serve, at least, as a useful check. In deciding upon the availability of resources there are, however, also uncertainties, for instance, in the availability of external assistance. So far as domestic resources are concerned, the basic consideration is to what extent the planners, or more basically, the government and the people, would resolve the conflict between larger capital formation and higher immediate living standards. Another question is what time pattern of growth would be preferred by the people. It may be pointed out that there is no complete freedom of consumption versus complete non-freedom of consumption, in the same way as there is no complete laissez-faire or absolute planning in the real world. Even in private enterprise economies, private consumption is influenced by taxation, while in centrally planned economies, restrictions on consumption also have a certain limit, for example, the maintenance of the health of the people. The difference which does exist is rather a matter of degree. Thus the availability of financial resources depends to a certain extent on the fiscal and other policies which, by restricting consumption but encouraging capital formation, are politically acceptable to the people.

In spite of the variation in the planned rate of growth in national income and in the capital/output ratio, either applied or implied, the rate of investment in the current plans of the majority of countries of the region shows amazing similarity, i.e. around 13-16 per cent of the national or domestic product (see table 2). Notable exceptions are Japan, on the high side (31 per cent), and Indonesia on the low side (8.5 per cent). This similarity in the planned rate of investment indicates perhaps greater faith on the part of planners in the investment target than in the income (particularly *per capita* income) target and the over-all capital/output ratio, which is subject to wild guesses.

Table 2

RATE OF INCREASE IN INCOME, RATE OF INVESTMENT AND INCREMENTAL CAPITAL/OUTPUT RATIO IN CURRENT PLANS

Country	*Plan period*	*Annual rate of increase of national product at constant prices*[a]	*Incremental net capital/output ratio*	*Net investment as per cent of national product*
Burma	1961/62–1964/65	5.9	2.5	14.8
Cambodia	1959 – 1964	5.0	3.0	15.0
Ceylon	1959 – 1968	5.9	2.6	15.3
China: Taiwan	1957 – 1960	7.4	2.1	15.8
Fed. of Malaya	1961 – 1965	4.1	3.9	16.1
India	1961/62–1965/66	6.0	2.2	13.0
Indonesia	1956 – 1960	3.0	2.8	8.5
Iran	1955/56–1961/62	6.0	3.0	18.0
Japan	1961 – 1970	7.2	4.3	31.0
Philippines	1959/60–1961/62	5.9	2.1	12.5
Pakistan	1960/61–1964/65	3.7	3.6	13.4
Thailand	1961 – 1966	6.0	2.5	15.0

Sources: See Table 1.

[a] For explanation, see table 1.

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[7] See Report of the ECAFE Working Party on Economic Development and Planning (first session), published in *Economic Bulletin for Asia and the Far East,* November 1955, particularly p.4.

[8] United Nations, *Programming Techniques for Economic Development with special reference to Asia and the Far East,* Report of a Group of Experts, 1960, p.11.

[9] *Ibid.*

IV. PUBLIC AND PRIVATE INVESTMENT: THE POLICY STRATEGY

In effecting investments, two basic questions have to be answered, namely, by whom and in what fields. The first poses a choice between public and private investment, and the second relates to the composition of investment; together they constitute the strategy of investment. The policy towards public and private investment is basic, for it affects the nature and scope of any plan. In centrally planned economies, the investment programme of the public sector represents practically the entire investment programme of the whole economy, while in mixed economies, it is only a part of the whole programme, although in most cases it is an important and substantial part.

In the mixed economies of the region, the extent of public ownership and investment differs quite widely. On the one hand, India, following the guiding principle of a socialistic pattern of society, has a larger public sector (see table 3). The expansion of the public sector in India is considered a decisive instrument to prevent concentration of economic power and the growth of monopolistic tendencies, and at the same time to remove certain basic deficiencies in the economic structure hampering the attainment of higher levels of productivity. On the other hand, in China: Taiwan, the Federation of Malaya, south Korea, Pakistan, the Philippines and Singapore, the private sector is emphasized much more; public investment is supposed only to supplement and facilitate private investment. While some of these countries, for example, the Philippines, believe in private enterprises, others, such as Pakistan and Singapore, follow a pragmatic approach. Thus in the second Five-Year Plan of Pakistan, it is stated: "in regard to the respective roles of the public and private sectors, a pragmatic approach has been followed in the Plan. No industries are reserved for the public sector; public investment is provided only in those activities which are not ordinarily developed with private capital or where, on present indications, private investment will not be forthcoming."[10] In fact, government capital shares in several public and public-private joint enterprises have been sold to the private sector after the enterprises had proved profitable. However, in spite of the difference in principles, the share of government investment in China: Taiwan and Pakistan (in the current plan), at present, is as high as that in India (see table 3).

Table 3

PUBLIC INVESTMENT AS PERCENTAGE OF TOTAL NATIONAL INVESTMENT

Country	*In the current Plan*	*Actual (1959)*	
		Gross fixed capital formation as financed by the public sector, including loans to the private sector	*Investment, including inventory accumulation, as implemented by the public sector*
Burma	45	42	46
Ceylon	62	57	47
China: Taiwan	...	69	55
Fed. of Malaya	43	...	28[a]
India	61	...	56
Indonesia	42[b]	25	25
Iran	52[c]	48	48
Japan	34[d]	36	25
Korea, South	...	56	35
Pakistan	61[e]	62	62
Philippines	35	26	24
Thailand	...	27	28
Viet-Nam, South	49	...	32

Source: Planned figures are from the current plans as listed under sources of Table 1. Actual figures are from United Nations, *Yearbook of National Accounts Statistics* and national official sources.

[a] 1957.

[b] First Five-Year Plan (1956-1960).

[c] In the Third Plan (1962/63-1966/67), the figure is 53.

[d] Excluding inventory investment.

[e] Including funds to be raised by the Government and loaned to public corporations.

As between these two groups of countries, philosophy of public investment in Ceylon is closer to that of India, while Burma is shifting away from a position similar to India's. Burma, which initially embraced a strongly socialistic ideology in economic affairs, embarked on extensive socialization of the means of production and economic activities, through the expansion of the public sector not only in the utility field but also in industry, mining and trade. However, it was discovered recently that these policies had discouraged private initiative in the development of the economy. Thus the strengthening of the private sector ranks as one of the most important objectives of the second Four-Year Plan.[11] The Burmese lesson is worth noting, particularly by countries where an efficient public administrative system has not yet been developed.

No matter how important the public sector and regardless of the scope of public investment, the programme of public investment in almost all plans, is the most important and decisive part of the entire investment programme. While most plans give the national aggregates covering the economy as a whole, there is an essential difference in the validity of the estimated role assigned to the public sector and the private sector. The investment programmes of the public sector are the direct responsibility of the government, and reflect actual investment decisions that have to be taken by the operating agencies for implementation. The programme of investment for the private sector is, however, essentially an estimate of the performance which can be expected from this sector under certain conditions. Nevertheless, this does not mean that the private sector can act freely. The conditions under which private investment is to take place are influenced to a considerable extent by government policies and measures affecting the private sector. In fact, the implementation of the public investment programme itself would greatly affect private investment, through the provision of an infrastructure, such as transport, power, irrigation, training and other services, and through the demand for goods or services to be supplied by the private sector.[12]

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[10] Government of Pakistan, Planning Commission, *Second Five-Year Plan* (1960-65), p.8.

[11] The Union of Burma, Ministry of National Planning, *Second Four-Year Plan*, p.23.

It is customary, in the early stages of development, for developing countries to pursue a policy of encouraging private investment and private enterprises by granting tax concessions, low-interest loans and cheap foreign exchange (usually at the official rate of exchange). While this policy may help to achieve the desired effect, it paradoxically assigns low prices to scarce factors, for example, capital and foreign exchange, and thus tends to encourage excessive use of them. Consequently, direct administrative control is necessary over the allocation of these scarce resources.

In order to avoid the arbitary application of direct controls, many economists have tried to design valid criteria for this purpose. Of late, the most fashionable is the application of accounting prices. The shortcomings of this approach are, first, that the accounting prices (as also the social marginal productivity) cannot be calculated accurately and objectively, although they appear more desirable than purely personal judgements on the part of the administrator. Secondly, and even more important, is the fact that the enforcement of accounting prices or other investment criteria by means of direct controls requires an elaborate administrative machinery and an adequate administrative staff, which are generally lacking in under-developed countries. Thus, the lack of satisfactory ways of formulating appropriate and objective criteria and the inadequacy of administration in dealing with direct controls have thrown the practical applicability of this strategy of development open to doubt.

This state of affairs is especially unsatisfactory when the private sector has already responded actively to the inducements offered. For then private investment may have become so excessive, and direct controls so tight that they tend, in many respects, to hinder rather than facilitate development. The small business units and the newcomers in enterprise are particularly hindered and discouraged by the multiplicity of controls, for their economic power is so weak that they can hardly deal effectively with the control authorities and cope with the delays and red tape involved. On the other hand, existing large enterprises enjoy a comfortable semi-monopoly position under the protection of controls and make easy profits through access to the scarce factors made available to them cheaply. There is hardly any incentive for them to improve productivity or operating efficiency.

Among Asian countries, China: Taiwan, India, Pakistan, and the Philippines appear to have reached such a stage, and China: Taiwan, Pakistan and the Philippines are resorting more to price policy than direct controls, by withdrawing tax concessions, adjusting the exchange rate of over-valued currency, raising the rate of interest and reforming the tax structure and rates. In these ways, the market prices of scarce factors are brought closer to the accounting prices and therefore less direct controls are needed. Thus, the second Five-Year Plan of Pakistan announced "greater use of taxes and subsidies to secure a desirable allocation of resources, instead of relying on a multiplicity of direct control."[13] In this regard, the most important policy measures proposed are the imposition of import surcharges and the raising of the rate of interest. The former is supposed to siphon off windfall profits arising from quantitative import restrictions for more productive uses in fulfilment of the plan on the one hand, and to raise the price of foreign exchange to alleviate import demand pressure, on the other. The latter, as visualized by the Plan, would encourage quick-yielding projects, speed up the completion of projects on hand, minimize the size of stocks — in a word, economize the use of scarce capital.

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[12] It is exceedingly difficult to estimate to what extent and in what direction private investment will respond to the stimulus provided by public investment and government policies. This is perhaps one of the weakest points in the plans of many countries of the region.

[13] *The Second Five-Year Plan of Pakistan*, p.49.

V. PUBLIC INVESTMENT PROGRAMMES: THE ALLOCATION STRATEGY

INVESTMENT IN SOCIAL VS. ECONOMIC DEVELOPMENT

The allocation of government development expenditure among the various sectors of the economy reflects another important aspect of the strategy of planning. A major division of development expenditure is between social and economic development; the former is usually regarded as "investment in human capital". A recent tendency has been to emphasize the importance of "human capital" in furthering economic development.[14] Thus, it was found in a recent study by the secretariat of Economic Commission for Europe (ECE) that, in the postwar economic growth of Western European countries, "inputs of labour and capital account for only part — and often a relatively small part — of growth, and that more intangible factors, whether they are labelled 'technique' or 'organization' or 'the human factor', play a very important role".[15]

The discovery of the importance of the "human factor" has been largely a result of the application of the production function approach. The latter is different from the Harrod and Domar capital/output approach, which singles out only one productive factor — capital. The capital/output approach was very fashionable after the war in planning in under-developed countries, for in these countries capital was the scarce factor, while labour was abundant. The disadvantage of this approach is, however, that it concealed the importance of improvements in technical knowledge and skill, in organization, or in operational efficiency, etc. The recent emphasis on "human capital" is, to some extent, a reaction to this approach. While it is undeniable that human investment is important in furthering economic development, there is no objective criterion for judging the right proportion of development expenditures to be allocated to "social infrastructure". The entire fifth session of the ECAFE Working Party on Economic Development and Planning in 1959 was devoted to a discussion of this subject, but the Working Party concluded that "'no generally valid criteria were found".[16] On the one hand, one may argue that the investment made in maintaining and improving health, education, and skills is basic, since, although it does not create wealth as such, it creates "the capacity to create wealth", and, after all, it is the human beings who are the carriers of and sharers in economic growth. On the other hand, it may also be argued that, since the under-developed countries are poor, they have very limited resources with which to finance social improvements, and therefore the productive basis must first be strengthened; they must first create the capacity to create "the capacity to create wealth". In this connexion, the following points may be worth consideration.

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[14] See, e.g. Simon Kuznets, "International Differences in Capital Formation and Financing", in National Bureau of Economic Research, *Capital Formation and Economic Growth*, 1955; Moses Abramovitz, "Resources and output trends in the United States since 1875", *American Economic Review, Papers and Proceedings*, 1956; R.B. Goode, "Adding to the Stock of Physical and Human Capital", *American Economic Review, Papers and Proceedings*, 1959; T.W. Schultz, "Investment in Human Capital", *American Economic Review*, March 1961.

[15] United Nations, Economic Commission for Europe, "A Study of determinants of Growth in Europe during the Nineteen-Fifties" (ECONO. ADVISERS /CONF/13, 2 March 1961).

First, all the statistical findings about the importance of the "human factor" emanate from the industrially advanced countries, where competition requires continuous research and technological improvement. In under-developed countries, economic development involves mostly the adaptation of technology already known to the advanced countries. In such a "derived" development, expenditure on research and technological improvement may be much lower. However, training in labour skills, improvements in organization and operational efficiency, and the spread of technical knowledge, for example, through extension services in agriculture, could substantially improve productivity in under-developed countries.

Secondly, it is difficult to separate technological knowledge from physical capital, for modern capital instruments are incomparably superior in performance to those of only two decades ago, precisely because they embody scientific and technological advances. The operation of such capital instruments requires efficient management and skill. However, without the physical existence and actual use of such capital goods, no real improvements in management and skill can be achieved. The possible inefficiency and wastage in the initial stages is, perhaps, inevitable in the process of learning. For these reasons, it may be going too far to say that social improvement is a "pre-condition" of economic development. One should not forget that economic development itself is also a very powerful factor contributing to the changes in cultural values and social arrangements that are sometimes incompatible with material progress.[17]

The above-mentioned ECAFE Working Party found that "There seemed to be a general trend in the region to give priority to social programmes which would have considerable economic effects, such as community development, preventive health measures, vocational and technical education and housing for specific productive groups of the population".[18] While this appears to be the general trend, countries of the region differ in emphasizing social development in their plans. Thus, whereas Ceylon and the Federation of Malaya in their current plans intend to spend about 23 per cent of total government expenditure on social development, India plans to spend only about 10 per cent, and the Philippines, almost a negligible proportion. Pakistan (except housing and settlements), the Philippines and Singapore, are exercising restraint in social expenditure, believing that more financial resources, if possible, should first be provided for the maximum promotion of economic development. Restraints on social development expenditures are not always easy in a democratic country, unless a strong political party remains in power for a relatively long time and is firm in following such a policy.

The public social development expenditures in the development plans are only supplementary or complementary to the total national effort in this field. For firstly there have always been activities in the field of education, health, housing and social welfare carried on by households, non-profit institutions and private enterprises. Secondly, in some countries, a part of government expenditure on social services (sometimes a large part, as in the Philippines) is included in the current accounts of the budget, but not in the development expenditures under the plan. Inded, it is difficult to determine what social expenditure is current and what is developmental in nature. From government budget data, it was found that actual public sector expenditure on social services in Ceylon (10 per cent of the gross national product) was the highest in countries of the region; it was followed by Japan, 8 per cent, the Philippines, 4 per cent, and India and Pakistan, less than 3 per cent.[19] An international comparison of the proportion of social expenditure in total expenditure in relation to the *per capita* income level may give some general guide to the desirable level of social expenditures in the formulation of future plans. It may also be borne in mind that social measures and policies, as well as changes in social institutions, do not necessarily involve heavy financial expenditures. These aspects of social policy might play an even greater part in the development process, and should not be neglected in a development plan.[20]

PHYSICAL INFRASTRUCTURE VS. DIRECTLY PRODUCTIVE ACTIVITIES

Among investments in the field of economic development, a major division exists between investment in "physical infrastructure" or "overhead capital for the economy as a whole", such as transport, power, etc., and investment in directly productive activities, such as agriculture, manufacturing industry, etc. The proportion of investment as between these two broad fields in the public investment programme of any given country, should be appraised in the light of the corresponding proportion in the private sector. In a country where the private sector is relatively large, government investment in "directly productive activities" is bound to be proportionally less than in a country where the private sector is relatively small. Government investment in physical infrastructure, especially transport and power, is, however, not so flexible. In developing countries, such investment is not attractive to private entrepreneurs, because returns are small and the amount of capital required is generally beyond their capacity. Yet basic economic facilities are needed in almost every type of production, and their benefits to other sectors of the economy are immense. As the marginal social benefits are so much in excess of marginal private benefits, government investment in these fields has, therefore, invariably ranked high in all development plans of countries of the region.

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[16] United Nations, *Economic Bulletin for Asia and the Far East*, December 1959, p.56.

[17] See John H. Adler, "Some Policy Problems in Economic Development", *Economic Development and Cultural Change*, January 1961; S.C. Yang, "Capital Supply and Economic Growth: Sources of Savings", a paper presented to the International Economic Association's Round Table, (Japan, 1960).

[18] United Nations, *Economic Bulletin for Asia and the Far East*, December 1959, p.54.

[19] United Nations, *Economic Survey of Asia and the Far East*, 1960, pp.78-80.

[20] See *Economic Bulletin, op.cit.*, December 1959, p.53.

The high share of investment in transport and communications among all economic sectors is a common feature of almost all current plans. Even in the group of countries (Ceylon, India, Pakistan and the Philippines) with the lowest proportions, it accounted for about one-fourth of the total public investment. In these countries, existing transport facilities meeting present needs appear to be relatively more adequate than in other countries where the existing transport means are either insufficient to meet present needs or future demand as a result of economic expansion, or require substantial rehabilitation. In six countries of the region (Burma, Cambodia, Iran, Nepal, Thailand and south Viet-Nam), the share of investment in transport and communications is 40-50 per cent (see table 4).

Table 4
Allocation of Public Investment by Economic Sectors
(in percentage)

Country	*Plan period*	*Planned(P) or actual(A)*	*Agriculture*[a]	*Industry and mining*[b]	*Electric power*	*Transport and communications*	*Others*	*Total*
Burma	1952/'53–1959/60	P	12	12	26	50	—	100
		A	16	31	19	34	—	100
	1952/'53–1955/56	A	14	39	15	31	—	100
	1956/57–1959/60	P	27	28	17	28	—	100
		A	18	22	23	37	—	100
	1961/62–1964/65	P	27	12	10	49	2[c]	100
Cambodia	1960 – 1964	P	27	14	10[d]	43	6[e]	100
Ceylon	1960 – 1968	P	30	32	13	26	—	100
China: Taiwan . .	1957 – 1960	P	23[f]	57[f]		20	—	100
Fed. of Malaya . .	1956 – 1960	P	33	2	27[d]	38	—	100
	1956 – 1960	A	30	2	31[d]	37	—	100
	1961 – 1965	P	37	2	27[d]	34	—	100
India	1951/52–1955/56	P	42[g]	11	15[g]	32	—	100
		A	41[g]	7	17[g]	35	—	100
	1956/57–1960/61	P	28[g]	24	11[g]	37	—	100
		A	21	29	12	39	—	100
	1961/62–1965/66	P	24	30	18	27	—	100
Indonesia	1956 – 1960	P	32	26	16	26	—	100
	1956 – 1958	A	27	22	10	41	—	100
Nepal	1956/57–1960/61	P	33	9	11	41	6[h]	100
Pakistan	1955/56–1959/60	P	41[i]	17	17[i]	25	—	100
		RP	39[i]	22	17[i]	22	—	100
	1960/61–1964/65	P	43[i]	17	16[i]	24	—	100
Philippines FY . .	1957 – 1961	P	22	28	20[d]	30	—	100
FY . .	1960 – 1962	P	31	24	17	28	—	100
Singapore	1961 – 1964	P	10	38	29[d]	23	—	100
Thailand	1961 – 1966	P	42	8	3	47	—	100
Viet-Nam, south .	1957 – 1961	P	43[j]	13	—	44[k]	—	100

Sources: National Development Plans as listed under sources of Table 1. As far as possible investment figures are used; in case where they are not referable, figures refer to development outlays.

Notes: Figures do not always add up to 100 because of rounding off.

[a] Generally agriculture includes agriculture, irrigation, forestry and fishery; in Cambodia, India, Indonesia, Nepal and Pakistan, it also includes community development.

[b] Industry and mining include mining, manufacturing industry, and construction whenever it is separately given in the plans.

[c] Trade only.

[d] Including small amount of water supply for industrial and other purposes.

[e] Expenditures on public enterprises.

[f] 40 per cent of investment on Shihman reservoir multi-purpose project is allocated to irrigation and 80 per cent to power; the estimate is based on the proportion of estimated future income which will be derived from irrigation and power respectively.

[g] Outlays on multi-purpose projects have been arbitrarily divided and added respectively to irrigation and power according to the proportion of investment allocation (excluding multi-purpose projects) to both sectors. The proportions are 57:43 and 56:44 respectively for the planned and actual figures in the First Five-Year Plan and 53:47 for the planned figures in the second Five-Year Plan.

[h] Mainly Rapti valley project.

[i] Investment in multi-purpose project is arbitrarily divided and added to irrigation and power respectively according to the proportion of investment (other than multi-purpose projects) in irrigation and power. In the second Five-Year Plan, it was stated that, within the total allocation of the water and power development programme, about 35 per cent is exclusively for water development, 30 per cent for investigation surveys and miscellaneous schemes. The last two segments have been divided and added to irrigation and power respectively according to the radio of 35:30. The same proportion has been applied to the corresponding First Five-Year Plan figures.

[j] Including power. [k] Public works.

To some extent, the relatively high figures reflect the much larger share of public than private investment in this particular branch of physical infrastructure.

The share of power development in total physical investment outlays of the government sector is relatively low in current plans. The Federation of Malaya ranks the highest, with 27 per cent, followed by Pakistan, the Philippines, south Viet-Nam and India with 16-20 per cent, and Burma, Cambodia, Ceylon and Nepal, with 10-15 per cent.

The external economies argument behind the strategy of heavy investment in basic economic facilities presupposes that development in directly productive activities, especially in the manufacturing industry, has been hampered by the lack of transport facilities or power supply. While this appears to be true in some countries or some areas in a particular country, with private enterprise, an adequate market organization and sufficient final demand, the strategy may not work in areas where these elements of ability to invest are lacking. Under the latter conditions, excess investment in physical infrastructure may result in extensive idle capacity for at least some time before "the ability to invest" grows sufficiently. It may happen, for instance, that a highway is built before it is justified by the volume of traffic, so that it is little used and therefore left without adequate maintenance. Such idle capacity is clearly a waste of resources which could be devoted more productively to agriculture or industry.

Thus in the Eight-Year Development Plan of Burma, heavy investment in electric power and transport and communications, amounting to 77 per cent of the total public investment in economic sectors, appeared to be excessive. It is reflected in the comparatively low rate of growth with a high rate of investment (high capital/output ratio), and the intensification of the foreign exchange scarcity.[21]

It is therefore not without reason that questions of the following kind were raised: "if we endow an under-developed country with a first-class highway network, with extensive hydroelectric and perhaps irrigation facilities, can we be certain that industrial and agricultural activity will expand in the wake of these improvements? Would it not be less risky and more economical first to make sure of such activity, even though it may have to be subsidized in view of the absence of adequate transportation and power, and then let the ensuring pressures determine the appropriate outlays for SOC (social overhead capital) and its location?"[22]

However, this "pressures" approach also has its disadvantages. Physical infrastructure projects, such as roads, railways and hydroelectric power stations are generally large projects characterized by bulkiness. Their construction requires a rather long time. If it has to wait until demand for their services has accumulated to the extent of exercising pressure, time may be lost and the time required to extend other needed assistance to directly productive fields prolonged. Such assistance, regardless of its form (subsidies, protection, etc.) also amounts to a waste. Moreover, the response to public pressure of the authorities responsible for providing physical infrastructure tends to be weak and slow in under-developed countries. There are many examples of power plants, even of moderate capacity, which took a rather long time to complete, although the authorities concerned seemed not to mind much about the complaints of the public.

Balanced development between physical infrastructure and directly productive fields appears to be an inevitable conclusion. The actual implementation of this general principle depends, to a large extent, on a continuous and accurate assessment of the growth in both sectors, and on timely adjustments in the planning and implementation of the individual projects concerned. In this connexion, it is important that a projection of the future demand for transport services, power and other basic economic facilities should first be made on the basis of the projected or planned growth of the directly productive activities.

As far as transport is concerned, the following findings of Professor Tinbergen are of particular interest: "as a rule of thumb, derived from past experience, investments in transport facilities are a fairly constant proportion of total investment in the economy, amounting to about 20-25 per cent. This applies to countries of differing structure and to periods of different "prime movers" of development: it applies to the era of railway construction as well as to the era of industrial development".[23] Recently, the ECE secretariat found that, during 1954-56, the percentage of transport and communications in total gross fixed asset formation was fairly stable among Western European countries, with an average at about 18 per cent.[24]

According to Kuznets, the share of transport and communications services in the national product varied with the level of *per capita* income in a large number of countries of the world; during the postwar years, it amounted to 4.4 per cent in the low income countries, 7.4 per cent in the medium income countries and 9.7 per cent in the high income countries.[25] Moreover, Professor Chenery has found, by cross-section regression analysis of data for some 50 countries, that the growth elasticity of transport and communications is 1.29, which is slightly smaller than that for all industry (1.36), substantially larger than that for other services (1.07), and far exceeds that for primary production (0.49). Based on this elasticity, the share of transport and communications in the national product should double when *per capita* income moves up from $100 to $1,000.[26]

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[21] See U Thet Tun, *Burma's Experience in Economic Planning*, Government Printing and Stationary, Rangoon; pp.16, 23-24, 29.

[22] A.O. Hirshman, *The Strategy of Economic Development*, (Yale University Press, 1959) p,.93.

[23] Jan Tinbergen, *The Design of Development*, (International Bank for Reconstruction and Development, 1958), p.31 and Annex V 4.

[24] "A study of determinants of growth in Europe during the nineteen-fifties", *op.cit.*

[25] Simon Kuznets, *Six Lectures on Economic Growth*, (The Johns Hopkins University, 1959), pp.43-47.

[26] H.B. Chenery, "Patterns of Industrial Growth" in *American Economic Review*, September 1960, pp.634-635.

While this general pattern of growth indicates the extent of the increase in the demand for transport and communication services together with the increase in income, it does not reveal how much investment in transport and communications would be required to provide the amount of service required. To answer the latter question, capital/output ratios in the various fields of transport and communications have to be known. Moreover, the general pattern of demand for transport and communication services indicates only the average rate. The future demand for such services would deviate from the average in a particular country, on account of prevailing conditions in terms of the stage of development, the size of the country, its geographical characteristics, the extent of urbanization, the commodity composition of the national product, and so on. "The estimates of future transport requirements will in any case have to be based primarily on a detailed study of future development potentials, the location of expected economic activties, probable sources of raw materials and anticipated destination of final products. This approach inevitably involves a careful stock-taking of present transport facilities and the actual traffic".[27]

A similar approach can be used in planning the development of and investments in electric power and other basic economic facilities.

AGRICULTURE VS. INDUSTRY: BALANCE OF PAYMENTS IMPLICATIONS

In the early postwar years, many countries of the region were faced with food shortage problems and a need for the immediate rehabilitation of productive capacity, impaired by war damage and lack of replacement. The need for more food and foreign exchange to purchase new equipment from abroad led these countries first to rehabilitate and develop agricultural production, including cash crops, which offered greater possibilities for quick returns. On completion of the reconstruction programme, the inherent problem of vulnerability to external factors of primary exports, on which the economies of many countries rely heavily, re-emerged. The escape from this traditional weakness has invariably been sought in efforts to speed up the process of industrialization, particularly from the long-run point of view. These efforts are largely reflected in the patterns and changes that have been planned in the allocation of investment in the early plans following the reconstruction programmes. Thus, in these plans, Burma, Indonesia, and the Philippines, as well as mainland China, for different reasons, accorded priority to industry. Investment in this sector (manufacturing industry, mining and construction) was larger than that in agriculture (including forestry, fishery, irrigation and community development) (see table 4). However, in most other countries, agriculture still claimed pride of place. The relatively smaller proportion of industrial investment in the public sector in the first plans of countries such as India, the Federation of Malaya and Thailand, is somewhat deceptive, for in India, at that time, industry in the private sector was proportionately quite substantial, and in the Federation of Malaya and Thailand industrial development has, according to announced government policy, been left largely to private investment.

The divergent trends indicated the renewed significance of the old argument of whether agriculture or industry should be given priority in planning for economic development, and this problem has grown increasingly acute in recent years. There were cases where countries, at first enthusiastic about establishing modern industries, discovered later that bottlenecks had been created because of the neglect of agricultural development. The reason for emphasizing industrialization is that industrial development would absorb rural under-employed persons into those fields of production where higher productivity is possible without reducing total agricultural output. This argument has to be scrutinized carefully, particularly with respect to whether there exists substantial *chronic* underemployment or just *seasonal* under-employment. But in either case (the latter would be worse), rapid industrial development without an improvement in agricultural productivity would create obstacles to further development, owing to shortages of food and agricultural raw materials. For if the supply of food and raw materials remained stable while demand for them rose on account of industrial development, either prices and wages would increase, or the balance of payments position would deteriorate. In the food-exporting countries of the region, the deterioration of the balance of payments situation would reflect the slow growth, if not the decline, of the exportable surplus. In the raw materials exporting countries, it would mean both an increase in food imports as well as a slow growth or decline of the exportable surplus, which, in many cases, tends to be aggravated by the trend of unfavourable terms of trade. In food-deficit but resource-diversified countries, such as China: mainland and India, it would mean a considerable expansion of food and/or raw material imports as well as a reduced or stagnant level of the exportable surplus of agricultural products. Table 5 shows that, in six countries of the region (Burma, Ceylon, India, Indonesia, south Korea and the Philippines), exports as a percentage of gross domestic product have decreased during the past decade, and only in three countries (China: Taiwan, Japan and Thailand) has it increased.

Such a situation can, of course, be remedied if the newly developing industries can earn or save foreign exchange. This is the main reason why, in the industrial development programmes of most countries of the region, the importance of foreign exchange earning and saving has been particularly stressed. However, as the import-replacing industries also tend to generate further demand for imports of capital goods, raw materials and fuels, and as the export markets for manufacturing goods are highly competitive, balance of payment difficulties, once they emerge, would tend to become so persistent that the countries concerned could hardly escape the trap, except for those few which had a slow rate of growth and/or particularly favourable markets for their major exports, *e.g.* the Federation of Malaya and Thailand. Again, Table 5 shows that, during the last decade, inspite of restrictions, imports as a percentage of gross domestic product have increased in six countries of the region (Burma, Ceylon, China: Taiwan, India, Japan, and Thailand), and decreased only in three (Indonesia, south Korea and the Philippines).

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[27] Report of the sixth session of the Working Party on Economic Development and Planning", United Nations, *Economic Bulletin for Asia and the Far East,* December 1960, p.54.

Table 5

EXPORTS AND IMPORTS AS PERCENTAGE OF GROSS DOMESTIC PRODUCT, 1950 AND 1959

Country	*Exports*		*Imports*	
	1950	*1959*	*1950*	*1959*
Burma	21.1	19.4	13.8	19.3
Ceylon	38.1	29.1	28.5	33.2
China: Taiwan	10.0[a]	11.7	15.6[a]	17.3
India	5.7[b]	4.8[b]	5.8[b]	6.9[b]
Indonesia	7.7[a]	4.9	5.2[a]	2.6
Japan	7.5	9.9	8.8	10.3
Korea, South	1.0[c]	0.8	5.8[c]	3.5
Philippines	9.9	9.5	10.3	9.1
Thailand	10.0	15.4	11.3	18.3

Source: United Nations, *Yearbook of National Account Statistics*, and *Yearbook of International Trade Statistics*.

[a] 1951.

[b] As a precentage of net domestic product at factor cost.

[c] 1953.

Over-investment in industry or neglect of agricultural development has actually caused such strain (especially through the shortage of foreign exchange), that in several countries of the region the existence of a sizeable idle capacity has become rather serious. In the Philippines, "it is estimated that the average level of operation of existing industrial plants is only about 50 per cent of rated capacity".[28] It was estimated in the current plan that raising the operating capacity from 52 per cent in 1957 to 70 per cent in 1960/61 would raise foreign exchange requirements for imports of raw materials from 55 to 73 per cent of merchandise imports in the corresponding years.[29] Again, in Pakistan, at the end of the fourth year of the first Five-Year Plan period, the rate of capacity utilization for some consumer goods industries, engineering and electric industries, making up about 25 per cent of the value added in large-scale industries, was on the average 50 per cent.[30] Idle industrial capacity in India and China: Taiwan also appears to be substantial. In such circumstances, the question is whether fuller utilization of existing plants should not be given priority over installation of new industrial undertakings, or whether agriculture should not be allowed to catch up with industry.

Recurrent deficiencies in the supply of agricultural products were not only due to limitations imposed on investment in agriculture, but also to the underestimation of possibilities in, and slow implementation of the task of increasing, the supply of agricultural commodities. The various cases of underfulfilment, either of the agricultural target as a whole or of specific commodities, may indicate inadequate appreciation of the importance of agricultural investment in the plan and implementation. The agricultural sector, as at present organized in most countries of the region, offers great scope for the introduction of modern production techniques and organizational improvements, such as the consolidation of small holdings, pooling of agricultural equipment, or better use of existing resources. The slow response of the cultivator in the backward rural society to modern technological and institutional changes required for an increase in productivity emphasizes particularly the need for early attention to agricultural development. This is especially so in those countries where in recent years agricultural development has been rather neglected. Kuznets found that "the under-developed countries are further behind the developed countries in product per worker in agriculture than they are in product per worker in the non-agricultural sectors", and concluded that "an agricultural revolution — a marked rise in productivity per worker in agriculture — is a pre-condition of the industrial revolution for any sizeable region in the world."[31] At present, several countries of the region are threatened by setbacks in the rate of economic growth, because of the lag in agricultural development, *e.g.* mainland China (although partly due to natural calamities), India and Pakistan (depending on foreign aid for financing food imports), Burma and the Philippines (through balance of payments difficulties), etc. These hard facts have forced many countries to raise the share of government investment in agriculture. Thus, in Burma, the share (including irrigation) was raised from 12 per cent in the Eight-Year Plan to 27 per cent in the first and second Four-Year Plans. In India, while the second Plan increased considerably the share of investment in heavy industries, and thus aggravated the deficiencies in the supply of agricultural commodities during the second plan period, the share of government investment in community development as a means of increasing agricultural production was substantially raised in the third plan. In Pakistan, owing to the poor performance of agriculture under the first plan, government investment in agriculture (which is already high in the first plan) was slightly raised in the second plan. In the Philippines, the share of government investment in agriculture under total government investment in the economic sectors was increased from 22 per cent in the first Five-Year Plan to 31 per cent in the subsequent Three-Year Plan. The increase in the already relatively high share of agriculture in total investment under the second plans of China: Taiwan and the Federation of Malaya seems to indicate that, in the immediate future, sizeable investments in agriculture are still considered a favourable means of promoting economic growth.

It should, however, not be misunderstood that industrialization in its broader sense would not be the basic solution to economic under-development of countries of the region and that a balanced agricultural and industrial development would solve entirely the problem of foreign exchange shortage in a developing country. For the inelastic world demand for primary exports may be chronic and a break into the world market in manufactured goods formidable. While the developed countries should reconsider and liberalize their trade restrictions towards under-developed countries, the wide gap in the financing of development goods imports has still to be filled by foreign capital for many years to come.

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[28] National Economic Council, *Philippines Three-Year Programme of Economic and Social Development* (FY 1959/60-1961/62), p.69.

[29] *Ibid.* p.9.

[30] Government of Pakistan, Planning Commission, *First Five-Year Plan: Preliminary Evaluation Report*, September 1959, p.26.

[31] *Op. cit.*, pp. 54, 59-60.

VI. FINANCIAL RESOURCES

THE RATES OF INVESTMENT AND SAVING

Most countries of the region have planned a rapid increase in the rate of investment to accelerate the rate of economic development. However, owing mainly to the low level of income and productivity, the proportion of total output which can be allocated for non-consumption or capital formation purposes is rather limited. Ten years ago, the rate of net domestic saving in India was only about 5 per cent, and in a decade it rose to only about 8 per cent of national income. In the last year of the third Five-Year Plan (1965/66) it is projected to increase to 11.5 per cent, which is still short of the planned investment rate in that year by 2.5 per cent of the national income. This gap has to be financed by foreign saving. Similarly, Pakistan also has a low level of domestic saving, the rate of which is to be increased from 7.0 to 8.6 per cent under the second Five-Year Plan period. The achievement of the rate of investment at 15.4 per cent in the last year of the plan (1964/65) depends considerably on foreign financing, at a rate of 6.8 per cent of the gross national product. In the export-oriented and/or plantation economies of Burma, Ceylon and the Federation of Malaya, the level of domestic saving is apparently higher than in India and Pakistan. In fact, these countries have often been, in good export years, net external lenders rather than borrowers. However, by aiming at a higher rate of investment in current plans, sizeable foreign borrowings have also been planned (see table 6). In most countries of the region, the fulfilment of the plan targets depends, to a large extent, on a satisfactory flow of savings, either domestic or foreign. In some countries, where the ability to invest is too low, the real obstacles are inadequate public administration and limited entrepreneurship rather than financial bottlenecks.

In the development plans, governments are directly concerned with the financing of public investment programmes. The major sources of such financing are government saving, government borrowing from the private sector, external assistance and deficit finance.

Table 6

PLANNED AND ACTUAL GROSS INVESTMENT AND GROSS SAVING AS PERCENTAGE OF GROSS DOMESTIC PRODUCT

Country	*Planned or actual*	*Period*	*Gross Investment*		*Gross Domestic Saving*		*Foreign Saving*	
			Base year or first year of the period	*End year of the period*	*Base year or first year of the period*	*End year of the period*	*Base year or first year of the period*	*End year of the period*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)=(4)—(6)*	*(9)=(5)—(7)*
Burma	P	1953/54–1959/60	19.9	20.8				
	A	1953/54–1959/60	18.2	16.8	19.8	15.3	–1.6	1.5
	P	1956/57–1959/60	21.9	20.8				
	A	1956/57–1959/60	18.7	16.8	15.1	15.3	3.6	1.5
	P	1961/62–1964/65	21.3		17.3		4.0	
Ceylon[a]	P	1959 – 1968	13.9[b]	23.1	13.9[b]	21.4	—	1.7
	A	1950 – 1958	10.2	11.9	14.4	10.5	–4.2	1.4
China: Taiwan[a]	P	1957 – 1960	19.0	18.1				
	A	1957 – 1959	20.9	25.2	13.1	14.2	7.8	11.0
	A	1952 – 1959	22.1	25.2	16.1	14.2	6.0	11.0
Federation of Malaya[c]	P	1960 – 1965	11.5	17.4	15.8	12.3	–4.3	5.1
India[a]	P	1950/51–1955/56	5.0	7.0	5.0	6.8	—	0.2
	A	1950/51–1955/56	5.0	7.3	5.0	7.0	—	0.3
	P	1955/56–1960/61	7.3	10.7	7.0	9.7	0.3	1.0
	A	1955/56–1960/61	7.3	11.0	7.0	8–8.5	0.3	3–2.5
	A	1950/51–1960/61	5.0	11.0	5.0	8–8.5	—	3–2.5
	P	1961/62–1965/66	11.0	14.0	8.5	11.5	2.5	2.5
Indonesia	A	1951 – 1955	9.8	6.2	12.2	9.0	–2.4	–2.8
	A	1956 – 1959	5.5	4.2	5.8	6.5	–0.3	–2.3
Japan	P	1954 – 1960	15.3	18.0				
	P	1956 – 1962	32.9	28.5	31.4	29.8	1.5	–1.3
	P	1956/58–1971/72	30.2	31.8	30.3	32.7	–0.1	–0.9
	A	1950 – 1959	27.5	35.0	28.4	36.2	–0.9	–1.2
Pakistan[c]	P	1955/56–1959/60	10		7[d]		3	
	A	1955/56–1959/60	9.2	10.5	6.5	7.9	2.7	2.6
	P	1960/61–1964/65	11.8	15.4	7.0	8.6	4.8	6.8
Philippines[c]	P	1956/57–1960/61	9.5	8.9				
	P	1959/60–1961/62	12.3	12.9				
	A	1952 – 1959	6.1	8.9	6.6	10.0	–0.5	–1.1

Sources: National development plans as listed under sources of Table 1 and United Nations, *Yearbooks of National Accounts Statistics.*

[a] As percentage of national income.

[b] Average for 1950-57.

[c] As percentage of gross national product.

[d] An average of 5 per cent in the base year and 8 per cent in the end year.

GOVERNMENT SAVING

Since government investment has been used as a major instrument in speeding up development, public investment programmes have been important in shaping the savings decisions of governments. Government saving consists of surpluses on government current account, *i.e.* current revenue minus current expenditure, and surpluses of government enterprises and other agencies. The relative importance of these two sources depends largely on the importance of public enterprises in the economy. In mainland China, owing chiefly to the great expansion of public ownership and management in enterprises, government revenue more than doubled during the past decade, and amounted to about one-third of the net national product in 1958.[32] In India, public enterprises are beginning to contribute an increasing amount of funds for development, which is expected to reach 7 per cent of total government investment requirement in the third plan. In Burma, it is due mainly to its monopoly of the trade in rice (the major export commodity) that the Government has been able to achieve a high level of total government receipts, amounting to about 20 per cent of the gross national product in fairly good export years. In other countries of the region, public enterprises are less important and less revenue-yielding. In the field of public utilities, including transport and communications, and irrigation, the usual low yield is due mainly to the extraordinarily low selling prices as compared with operating costs. Economies and improvements in efficiency could and should, of course, be achieved, but without a proper pricing policy, they cannot be expected to contribute to the financing of a further expansion of productive capacity. It is perhaps high time that governments should consider whether cheap (or subsidized) public utility services should be used only as an instrument of social policy, or whether public enterprise should be used as an instrument of economic development.[33]

With the exception of mainland China and, to a much lesser extent, Burma, governments of most other countries acquire the bulk of their revenue from taxation. Among the plantation and export-oriented economies of the region, Ceylon and the Federation of Malaya were able to obtain a substantially higher proportion of government revenue to gross national product (24 and 17 per cent respectively in 1957) than other countries. The high level of government revenue in these countries is chiefly attributed to the large sector of foreign trade in the economy, which, together with higher average tax rates, has yielded larger revenues from custom duties than in many other countries. And neither Ceylon nor the Federation of Malaya considers financial resources a serious bottleneck in economic development. In India, Pakistan, the Philippines and Thailand, the level of government revenue was rather low when planned development was launched (in 1950 it was about 10 per cent or less of the gross national product), and the need to increase government revenue has been keenly felt. In several countries of the region, development plans envisaged increases in government saving through new tax proposals. Thus, in India, the third Five-Year Plan assumes that government budgetary surplus from additional taxation (and measures to increase the surplus of government enterprises) will amount to 23 per cent of the total funds required under the public investment programme, as compared with 9 per cent in the second Plan. Many other governments, such as that of Thailand, have also tried to improve their tax assessment and tax collection machinery.

In spite of these efforts, the increase of government revenue has, in general, been far more sluggish than that of current expenditure. Available information shows that only in the Philippines was the rate of government saving in 1957-59 higher (by 1 per cent of the gross domestic product) than in 1950-52. In China: Taiwan, India and south Korea (dissaving) it remained unchanged, while in Burma and Ceylon, it actually fell.[34] In most countries, the slow rise in government revenue has been due to the fact that the foreign trade sector, from which a very large part of the revenue is derived, has tended to grow at a slower pace than the gross national product. While the region's major exports are primary products which in the long run. will encounter less elastic demand than output as a whole. imports are, in many countries, controlled in favour of capital goods and raw materials on which the tariff rates appear to be lower than the average. Also, as the tax system and collection machinery are deeply rooted in tradition, their reform cannot be expected to yield fruitful results in a short period of time. Thus it appears that. in many countries of the region, the marginal rate of government revenue in respect of national income increase has rarely been higher than the average rate. On the other hand, the marginal rate of the government's current expenditures seems to be higher than the marginal rate of revenue. This is particularly true in countries where the government has found it difficult to resist the expansion of administrative staff and increases in expenditure on social welfare. As far as the latter is concerned, the government, just as the individuals, has been, to no small extent, subjected to the "demonstration effects" of welfare states among the rich countries of the world. A redistributive fiscal policy tends to affect unfavourably the capacity to save of the government as well as the economy as a whole. During the past decade or so, general government saving accounted for a rather small share of total saving. (see table 7).

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[32] United Nations, *Economic Survey of Asia and the Far East*, 1960, p.84.

[33] "Many of the enterprises set up within the productive fields in the future would be under various forms of public ownership. It is particularly important therefore that these public enterprises set themselves the objective of earning adequate surpluses for further capital accumulation. Nothing would be more damaging to the whole concept of development through public enterprise than an attitude which regards these enterprises as mere instruments for lowering prices to consumers or raising wages to workers. In the context of a growing public sector such an attitude will act as a powerful brake on the pace of development," Ceylon National Planning Council, *The Ten-Year Plan*, p.53.

[34] United Nations, *World Economic Survey, 1960.*

Table 7

LEVEL OF FOREIGN AND DOMESTIC SAVING[a]
(percentage of gross domestic product)[b]

Country		*Total net saving*	*Foreign saving*	*Net domestic saving*	
				Total	*Government saving*
Burma	1949/50–1958/59	13	–1	14	2
Ceylon	1950 – 1959	9	—	9	2
China: Taiwan	1953 – 1959	12	7	5	1
India	1950/61–1957/58	8	1	7	1
Indonesia	1950 – 1959	3	1	2	. .
Korea, South	1953 – 1959	8	9	–1	–4
Philippines	1950 – 1959	4	2	2	1[c]
Thailand	1952 – 1957	. .	2	. .	. .

Source: United Nations, *World Economic Survey, 1960.*

[a] Foreign saving is the deficit in the balance of goods and services, it does not include current transfers to or from the rest of the world. Net domestic saving is the sum of the surplus of current incomings over current outgoings in the current accounts of enterprises, households and private non-profit institutions. Transfers of the household and government sectors to or from the rest of the world are excluded from the income and expenditure accounts in estimating the saving of these sectors.

[b] For Indonesia and the Philippines, the data are based on gross national product; for India, net national product at factor cost and net domestic capital formation.

[c] Government corporations included in government sector.

BORROWING FROM THE PRIVATE SECTOR

Many governments of the region have also borrowed from private sources to finance public investment programmes. Such domestic borrowing represents a transfer of private saving to the public sector. The scope of genuine domestic borrowing (as distinguished from borrowing from the central bank, or deficit finance) depends on the development of the securities market, the readiness of the public to hold government securities under existing terms, and the capacity of the government to borrow directly from private saving schemes. The governments of India, Pakistan and Thailand operate saving schemes, either through the Treasury or a Government Savings Bank. In India, life insurance is nationalized. The governments of Burma, Ceylon, the Federation of Malaya, India and Pakistan have direct access to the provident funds. All private savings attracted by these devices could be and have been used to finance government investment, either directly through the general budget, or indirectly through the purchase of government securities. The magnitude of such borrowing, however, varies greatly among countries. It is perhaps the largest in India where, in the third Five-Year Plan, government borrowing from small savings and provident funds, etc. under the plan is to reach 11.5 per cent of the total investment requirement, and market loans, 10.7 per cent. On the other hand, in Burma, for instance, financing from similar sources has indeed been negligible. It appears that in most countries, governments have not been able to mobilize domestic private savings for the public sector at a rate commensurate with the rise in public investment. Consequently, the widening gap left unfilled by government current surpluses and genuine domestic borrowing has to be filled either by an inflow of foreign capital or by borrowing from the central banks.

EXTERNAL RESOURCES

External financial resources are needed primarily to provide foreign exchange to finance the import components of the development programmes, but sometimes also for the supply of consumer goods. In the current plans, the foreign exchange requirements for financing development programmes (in some cases for public, and in others for both public and private sectors) are as high as one-half in Burma, around 40 per cent in Indonesia and the Philippines, one-third in Ceylon and Pakistan, and 30 per cent in China: Taiwan. The lowest is India, with a percentage of 19 in the third plan.[35] Moreover, the long-term trend indicates that this percentage will increase in most countries in the foreseeable future. Thus, Ceylon expected that the foreign exchange requirement share in its total investment programme will double within the next ten years.

While external financial assistance tends to become more and more important in sustaining a satisfactory rate of investment and growth, it is extremely difficult to plan its availability and magnitude, for it does not depend on the development efforts of the recipient countries alone, but is generally also influenced by political factors. In fact, mainly for political reasons, foreign aid has covered a very large part of the public investment programmes in several countries of the region. For instance, in south Viet-Nam, in 1958 and 1959, it was three to four times as large as domestic financial resources. In Laos, all public investment and at least one-half of government current expenditure has been covered by resources from abroad. In south Korea, during 1953-59, while foreign saving amounted to 9 per cent of the gross domestic product, there was domestic dissaving of about 1 per cent. In China: Taiwan during 1953-59, foreign saving, largely for financing government investment, accounted for 7 per cent of the gross domestic product as compared with 5 per cent from net domestic saving (see table 7). In other countries, external financial assistance was by far not so important, but still provided an increasing share of investment. Thus, in India while external financial assistance in the second plan was 17 per cent of the total public investment programme, the actual inflow amounted to 24 per cent,

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[35] Foreign exchange requirement as a percentage of total development expenditure in the current plans of seven countries of the region is given below:

Country	*Plan period*	*Sector*	*Percentage*
Burma	1961/62–1964/65	public	49
Ceylon	1954/55–1959/60	public	31
	1968	public & private	59
China: Taiwan	1957 – 1960	public & private	29
India	1961/62/1965–66	public & private	19
Indonesia	1956 – 1960	public	38
Pakistan	1960/61–1964/65	public & private	34
Philippines	1957 – 1961	public	35
	1960 – 1962	public & private	42

and in the third plan it is expected to increase to 29 per cent. Pakistan, during 1954-58 had to rely for approximately 40 per cent of its public investment on external financial sources. The ratio was lower in the Philippines (25 per cent during 1950-57) and Thailand (15 per cent during 1952-57), but is expected to rise in Thailand under the new Six-Year Plan. In Iran also, the Government recently had to increase its reliance on external aid. As a general trend, it may be safely stated that the importance of external aid as a source of financing government investment has been increasing throughout the nineteen fifties, and the number of countries benefiting from it has expanded considerably.

The bulk of external financial resources available to countries of the region has been in the form of public funds. They have been extended either bilaterally, through inter-governmental arrangements, or multilaterally through international agencies, in the form of grants or loans. The various sources and forms of external public financial assistance present a very complicated and complex picture, the analysis of which calls for separate research. The general characteristics may, however, be summarily stated. Most of the long-term loans and grants have been extended chiefly for the purpose of building up pre-investment conditions (*e.g.* resources surveys, research, scientific and training institutions, surveys of industrial possibilities, etc.) and constructing physical infrastructure (*e.g.* transport and communications, power, irrigation, etc.). Such investment, generally not attractive to private investors, is based upon long-run economic growth considerations.

Secondly, bilateral external assistance is inevitably linked with political and other non-economic factors. Its efficiency in promoting economic development may not be proportional to the amount received by the recipient countries. Political and economic stability, the contents of the aid programme and the absorptive capacity of the country concerned appear to be the real determining factors in this regard. Thus, in Laos, over 90 per cent of whose imports are financed by foreign assistance, the economy is still in a rather backward state. On the other hand, the rapid rate of growth achieved in recent years in China: Taiwan may indicate a possibility that an economic take-off can be achieved with the support and the economical use of external aid. If such a take-off can be maintained for a reasonably long period and matched by vigorous domestic efforts, it may, in due course, be transformed into self-sustained growth.

It is difficult to appraise the utilization of bilateral external aid in countries of the region. However, some important problems may be mentioned in a general way. First, there is the problem of integrating bilateral external-aid-supported projects with national development plans. It seems that aid-giving countries prefer to tie their aid to certain specific projects which are conspicuous, but may not claim priority in the national development programmes. However, it may be argued that this practice does not necessarily result in rigidity, for the domestic resources so released can be used for other purposes; yet in reality, the mobility of real resources in under-developed countries is generally low, and the shift of resources cannot be perfectly achieved. Also, since external aid has to be negotiated on a year-by-year basis, it is very difficult to integrate it in a four or five year plan with any reasonable assurance as to its continuation and magnitude.

Secondly, bilateral external assistance is sometimes tied to specific commodities, such as food, other consumer goods, raw materials or capital goods, to be supplied by the aid-giving countries. There have been complaints that, while food and some consumer goods are generally supplied free or at low prices, thus adversely affecting the production of such commodities in the recipient countries or exports of similar products from other under-developed countries, capital goods are generally supplied on credit at more than market prices. In an extreme way it may be said that bilateral external aid seems to dictate, at least to some extent, the pattern of development in the recipient countries. Nevertheless, if surpluses in some food and raw materials of agricultural origin in developed countries, especially the United States, are a hard fact in the world economy today which has to be taken into account, wiser ways of utilizing these commodities as aid in the development of under-developed countries have to be sought.[36] In this connexion, however, the incentive to increase agricultural production and to improve agricultural productivity in the recipient countries should not be impaired. In so far as certain types of commodity aid adversely affect the exports of third countries, there is much to be said in favour of aid negotiations on a regional basis.

Another complaint is that there is lack of co-ordination or synchronization in complementary external-aid-supported projects. For instance, in Laos, it has been reported that, although the project for a modern telephone exchange system in Vientiane has been completed and all the necessary equipment provided by one aid-giving country, the system cannot be put into operation because of lack of wires which are to be provided by another aid-giving country.

Recently, there have been several encouraging developments which may go a long way to overcome some of the difficulties mentioned above. First, the President of the United States has proposed to the Congress a longer term (five-year) programme of foreign aid which, if passed, would enable the United States Government to extend aid to foreign countries under a five-year lump sum appropriation, through periodical borrowings from the Treasury, instead of annual congressional appropriations. This new arrangement would certainly help the recipient countries to integrate more closely aid programmes with national plans. Secondly, the group action taken by aid-giving countries and the International Bank of Reconstruction and Development in connexion with aid to India and Pakistan and the measures adopted at the Conference of Development Assistance Group of several aid-giving countries will tend to achieve better co-ordination of aid themselves.

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[36] Food and Agriculture Organization of the United Nations, *Development through Food, A Strategy for Surplus Utilization* (Rome, 1961).

External aid cannot be regarded as a permanent feature of the development of under-developed countries. Sooner or later, their exports have to be increased to such an extent as to permit them to pay their debts, and in this connexion the developed countries have to reconsider their trade policies towards under-developed countries and accept more exports from them. This is particularly important, for external aid is gradually tending to shift from grants to loans,[37] and in the final analysis, it is the increased capacity to pay, and increased trade, not aid, which is the basis of self-sustained growth.

FINANCING PRIVATE INVESTMENT

The uses and availability of financial resources are interrelated between the public and private sectors. As noted earlier, while the government makes use of private savings through borrowing in the security market, small savings schemes, provident funds, nationalized life insurance, etc., it also lends its own savings to private business through government or semi-government "development banks", or directly through the Treasury. A part of the external assistance received by the government is also channelled to the private sector through various financial institutions. Meanwhile, the way in which the government shapes its own savings by means of revenue and expenditures policies also has a significant effect on the formation of corporate and personal saving.

A substantial portion of capital formation in the private sector is housing, which is almost entirely self-financed within that sector. In large-scale industries (as in India and Japan) and plantations (as in Ceylon and the Federation of Malaya), self-financing by ploughing back a part of profits is also important. In mapping out the financing programme of the private sector, planners should first project the investments needed and then the extent of self-financing in the private sector. Meanwhile, from private saving that part which is to be available to the public sector should be deducted. The residue represents that part of the financing which has to be provided by the private sector, by the government, or from foreign saving.

The government may influence the availability of and terms on which credit is extended by private financial institutions, particularly commercial banks, through the conventional monetary policy of the central bank plus newly developed devices, such as loan risk insurance. However, in most countries of the region, conventional monetary policy is not very helpful, for the first need is to establish or improve the financial institutions and the capital market needed to finance productive activities, rather than to regulate the supply of money, as in the economically advanced countries. For instance, in the second Five-Year Plan of Pakistan, equity capital to be raised on the stock exchange is expected to be only 5 per cent of the total financing of the private sector, and loans from commercial banks only 8 per cent. The instrument which the government can use directly to induce the private sector to fulfil its investment target is the credit supplied by itself and by "development banks". These banks generally not only raise funds from the government but also from commercial banks and other private sources. The importance of these functions and operations of the development banks in the region should call for separate study.[38]

The government can also encourage foreign private loans and investment by liberating the appropriate laws and regulations. In fact, unlike in the early post-war years, countries of the region now take a more liberal view of foreign private investment. In many countries, foreign investment laws and regulations have been revised and made more attractive to foreign investors, and repatriation of capital and remittances of profits and dividends has been made easier as in the Federation of Malaya and Thailand. Industrial policies are stated more clearly, and a wide range of industries is now open to foreign investors, sometimes without specifying rigid proportion of domestic capital participation and with equal rights and privileges as enjoyed by national investors (*e.g.* Thailand[39]). Special agencies are being set up to centralize and facilitate the handling of applications by foreign investors.

DEFICIT FINANCING

After assessing the availability of savings in the government, private and foreign sectors, by taking into consideration changes in fiscal, monetary and other policies concerned, the rate of saving should be compared with the planned rate of investment. The gap in saving, if any, may have to be filled by deficit financing, provided such action can mobilize real resources without causing undue price inflation or balance of payments difficulties. Otherwise, the planned investment rate may have to be revised downward. As deficit financing is designed chiefly for financing the public investment programme, the necessary adjustment on the investment side, if made, has to be at the cost of the government investment programme. If the latter is rigidly implemented, controls may have to be imposed on private consumption and investment; such controls, however, can be considered chiefly as a short-term remedy.

The safety limit of deficit financing is therefore determined by a host of interrelated factors so that it is almost impossible to estimate such a limit accurately. However, given certain conditions, it may be indicated roughly by changes in some key factors in relation to money supply. The method used in the second Five-Year Plan of Pakistan may serve as an example. The plan pointed out that the increase in money supply which is consistent with price stability depends on (*i*) an increase in national output, (*ii*) an increase in the monetization of the non-monetized sector, and (*iii*) an increased demand for cash balance by individuals and firms. The safety limit of the increase in the money supply thus estimated applies to the whole economy; the government's non-inflationary deficit financing has to be arrived at by subtracting from the total the likely monetary expansion in the private sector. The plan legitimately warned that the tolerable limit so obtained should be considered as flexible, and the need for liquidity should be assessed from time to time in the light of current inflationary or deflationary tendencies.[40]

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[37] The share of loans (net) in total public economic assistance to underdeveloped countries is Asia (with the notable exclusion of mainland China) had increased from 7.7 per cent in 1953/54–1955/56 to 27.1 per cent in 1956/57–1958/59. United Nations, *International Economic Assistance to the Less Developed Countries*, 1961, (Sales No: 61.II.B.2.), p.44, Table 25.

[38] See William Diamond, *Development Banks* (The Johns Hopkins, Baltimore, 1957); Shirley Boskey, *Problems and Practices of Development Banks* (Johns Hopkins, 1959).

[39] Board of Investment, *Brief Information Concerning Investment in Thailand*, 1959.

The idea of mobilizing unutilized and underutilized resources, and bringing out the growth potentials has been the major driving force underlying the use of deficit financing in the earlier development plans. However, the actual use of deficit financing has to be justified by the prevailing monetary situation. In India, for example, deficit financing practised towards the close of the first Five-Year Plan period was undoubtedly warranted by the deflationary tendencies prevailing at that time, and had beneficial effects by bolstering effective demand. The second plan, which is more ambitious, and places greater stress on investment in heavy industries, contributed substantially to the large budgetary deficits, which resulted in both heavy balance of payments deficits and rise in prices. In view of this situation and the reduced level of foreign exchange reserves, the third plan proposes to limit deficit financing to the minimum warranted by the genuine monetary needs of the economy; moreover, the amount of deficit financing that can be undertaken has to be judged from year to year in the light of emerging economic trends. The oscillation from optimism to pessimism towards the active role of deficit financing can also be sensed in other plans, such as the second Four-Year Plan of Burma and the reported revision of the second Five-Year Plan of Pakistan. Planners are paying increasing attention to the more fundamental and inevitable task of augmenting government saving through economizing in non-development expenditure and by tax reforms (with the least adverse effects on private saving and investment).

APPRAISAL OF ACHIEVEMENTS

QUALIFICATIONS

An appraisal of achievements under the development plans, based on a mere comparison of planned targets with actual results, is subject to several qualifications. First, it depends on the amount of optimism or pessimism with which the plan was drawn up. Underfulfilment of the targets of an ambitious plan may bring better results than overfulfilment of the targets of a modest plan.[41]

Secondly, the status of the plan also counts. If the plan has not been approved by the excutive head and the legislative body, the implementing agencies may not have to act according to the plan. In this case, a comparison of the planned targets and actual results appears rather academic. The Philippine plans may serve as an example in this regard. Moreover, in some other cases, general political conditions have not been conducive to the implementation of the plan. In Indonesia, for example, because of the Government's preoccupation with the maintenance of political stability and security, the first Five-Year Plan was reduced to sheer administrative exercises. It would not be of much sense to compare the targets of a totally inoperative plan with what actually happened. Judging from the status of the plan, perhaps only China: mainland, India and Japan, and to some lesser extent, Burma and Pakistan, can serve as good cases for an appraisal of achievements.

Thirdly, failure to achieve the plan targets may be due to factors that could not be predicted by the planners and outside the control of the developing countries, such as weather, changes in the world demand for the country's exports, and availability of external assistance. Thus it was more the result of good weather and the consequent bumper crops than of "planned efforts" that the income target in India's first Five-Year Plan was over-fulfilled, and it was mainly due to the sharp fall in the world rice price and the consequent shortage of foreign exchange earnings that the targets of Burma's Eight-Year Plan became unattainable. Incidentally, fluctuations in world demand for primary exports make planning and appraisal of achievements in the export-oriented economies especially difficult, particularly during the short run.

Fourthly, there is the usual complaint of poor quality and unavailability of statistics. A statistical error of say 5 per cent in either direction in the estimates of national income and its components is quite common, and under-estimation or over-estimation differs among countries. A 6 per cent annual increase in the national income in country A if it is consistantly over-estimated may be just as good as a 3 per cent increase in country B if it is consistantly under-estimated. Thus a comprehensive comparison in terms of national income and its components would not be as accurate as a less comprehensive but partial comparison in terms of output of key commodities.

COUNTRY ACHIEVEMENTS

In spite of the above qualifications, planned and actual rates of increase in national and *per capita* income are shown side by side in table 8 for the same periods, as far as possible. Such a comparison, which may serve as a starting point for an appraisal of achievements, should still be interpretated with caution. Among countries of the region, *Japan* has the distinction of consistently over-fulfilling its planned income targets. Its high rate of growth of 8.3 per cent per annum during the past decade compares favourably even with those for other developed countries. It exceeded substantially both the 4.5 per cent envisaged in the Economic Self-support Five-Year Plan (1953/54-1959/60) and the 6.5 per cent contemplated during the Long-Range Economic Plan period (1955/56-1961/62). The high rate of growth in Japan has been attributed chiefly to the relatively high stage of industrialization reached even before the war, the high rate of saving and capital formation, and a remarkable improvement in productivity, through technological improvements and shift of workers from agriculture to manufacturing industries and within manufacturing from small-scale to medium- and large-scale industries. Such improvements in productivity, of course, cannot be expected to continue forever, and the New Long-Range Economic Plan projected a lower annual rate of 7.2 per cent, so as to double the present national income by 1970/71.

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[40] Government of Pakistan, *Second Five-Year Plan*, pp.61-62.

[41] The different ways of fixing the plan targets in countries of the region has already been illustrated in section II on "scope and objectives".

Table 8

PLANNED AND ACTUAL RATE OF INCREASE IN NATIONAL AND PER CAPITA INCOME[a]

Country	Planned[b]			Actual		
	Period	*National income*	*Per capita income*	*Per capita income*	*National income*	*Period*[c]
Burma	1952/53–1959/60	7.4	6.2	3.6	4.6	1952/53–1959/60
				3.5	4.7	1950/51–1959/60
	1961/62–1964/65	5.9	3.6			
Cambodia . . .				1.5[d]	4.0[d]	1951 – 1959
	1959 – 1964	5.0	2.0			
Ceylon				1.0	3.5	1950 – 1959
	1959 – 1968	5.9	2.9			
China:						
Mainland[e] . .	1953 – 1957	...	...		8.9	1953 – 1957
					11.8	1950 – 1957
Taiwan . . .	1957 – 1960	7.4	3.7	3.0	6.4	1957 – 1959
				4.3	7.8	1951 – 1959
Fed. of Malaya .	1960 – 1965	4.1	0.8			
India	1951/52–1955/56	2.1	0.9	1.6	3.4	1951/52–1955/56
	1956/57–1960/61	4.6	3.3	1.5	3.7	1956/57–1960/61
				1.6	3.6	1950/51–1960/61
	1961/62–1965/66	6.0	3.8			
Indonesia	1956 – 1960	3.0	1.3	–0.6	2.1	1956 – 1959
				1.6	3.6	1951 – 1959
	1961 – 1969	3.7	1.4			
Iran	1955/56–1961/62	6.0	3.4			
	1962/63–1966/67	6.0	3.5			
Japan	1953/54–1959/60	4.5	3.7	6.7	7.8	1953/54–1959/60
	1955/56–1961/62	6.5	5.7	8.2	9.2	1955/56–1959/60
	1961/62–1970/71	7.2	6.3	7.1	8.3	1950/51–1959/60
Pakistan	1955/56–1959/60	2.8	1.4	0.2	2.1	1955/56–1959/60
				–0.2	2.0	1950/51–1959/60
	1960/61–1964/65	3.7	1.8			
Philippines . . .	1956/57–1960/61	6.0		1.8[f]	5.0	1956 – 1959
				2.6[f]	5.8	1950 – 1959
	1959/60–1961/62	5.9	2.8			
Thailand				1.8	4.7	1951 – 1959
	1961 – 1966	6.0	3.0			

Sources: Planned figures are from Table 1; actual figures are calculated from United Nations, *Statistical Yearbooks, Yearbooks of National Accounts Statistics* and *Demographic Yearbook 1960*.

[a] Compound rate of increase of national and per capita income at constant prices.

[b] Gross domestic product for Burma and Cambodia, and gross national product for Federation of Malaya, Japan, Philippines and Thailand. (See Table 1).

[c] For the estimation of the actual rates of growth during plan periods, the year preceding the plan is taken as base for computation.

[d] Gross domestic product at factor cost.

[e] The figures are calculated from national income indices published in *Ten Great Years* by the State Statistical Bureau of the People's Republic of China, Peking 1960. The concept of national income refers to material production only, and excludes economic activities not contributing directly to material production such as public. administration and defence and personal and professional services. See *Economic Survey for Asia and the Far East, 1960,* p.56, footnote b of table 17.

[f] The rate of population growth is estimated from the census figures of 1948 and 1960.

Table 9

ANNUAL RATE OF INCREASE IN AGRICULTURAL AND INDUSTRIAL PRODUCTION, 1952-1959[a]

Country	*Agriculture*[b]	*Industry*
ECAFE Region[c]	2.8 (3.0)	12.3
Burma	1.5 (1.7)	...
Ceylon	2.3 (1.7)	0.2
China:		
Mainland[d]	4.5	18.0
Taiwan	3.2 (2.9)	11.6
Federation of Malaya	3.0 (4.3)	...
India	2.8 (2.8)	5.6
Indonesia	2.3 (3.3)	...
Iran	4.1 (3.7)	...
Japan	3.7 (3.8)	14.2
Korea, South	4.2 (4.4)	16.3[e]
Pakistan	1.0 (1.4)	17.5
Philippines	3.1 (2.8)	11.5
Thailand	3.3 (2.8)	...

Source: United Nations Food and Agriculture Organization, *Production Yearbook*, 1960; United Nations, *Economic Survey of Asia and the Far East, 1960;* and for China: Mainland figures, the State Statistical Bureau of the People's Republic of China, *Ten Great Years*, Peking, 1960.

[a] Based on indices of production at compound rate of increase.

[b] Figures in paranthesis refer to food only.

[c] Excluding mainland China and Iran.

[d] 1952-1957.

[e] 1954-1959.

The major factor in the remarkable growth of Japan's industrial production has been the channelling of investment towards the modernization of the industrial structure and technical innovations. The process of integration and modernization in one industry induced, in some sort of a chain reaction, similar activity in another; meanwhile, industries spread to higher stages of processing and production of new products. Development within the industrial sector was led by the machinery industry, which, since 1955, has accounted for 50 per cent of the increase in industrial production. Its scope has also been extended more and more to automobiles and other consumer durables and appliances, and its characteristics shifted from the production of specific items to mass production. The leading sector role played by the machine industry is reflected in the use of a wider range of products of other industries, such as iron and steel, non-ferrous metals, plastics, rubber products, paints, etc. On the demand side, increased personal consumption and exports were responsible for the fact that overall production of manufactures rose beyond all expectations. Exports to all markets of the world increased and a marked increase took place in exports to high income countries in general and to the United States in particular. As a result of higher levels of income and lower prices, there has been a notable shift in personal consumption towards durable consumer goods and services — another major factor influencing production and investment activities.

Agricultural production, rising since 1955 on the average of 3-4 per cent annually (see table 9), was favoured by good weather conditions and by government price support. Rice production has recorded bumper crops for five consecutive years since 1956, and in 1959/60 it already exceeded the 1962 target by 10 per cent. Similarly, output of wheat and barley and, in particular, livestock products and fruits, overfulfilled plan targets, partly in response to the shift in demand for these products on account of rising income levels.

Mainland China's net material product during 1950-57 grew at a very high rate of about 12 per cent. But over the five-year period of the First Plan, 1953-57, when rehabilitation had been largely completed, the annual rate of growth was about 9 per cent. The increase in industrial production was particularly substantial with output of producer goods expanded at a higher rate than that of consumer goods. Within the producer goods sector, the expansion was generally greater in engineering and chemical industries. The spread between the planned rate of expansion in these two sectors became narrowed in the second plan period as compared with the first plan period. Expansion in the production of consumer goods in the second plan period was somewhat lower than originally planned, and reportedly was influenced by the poor performance of agriculture, particularly during 1960.[42]

Agricultural output under the first Five-Year Plan appeared to show satisfactory growth, but was lower than expected. While the targets for foodgrains and cotton were achieved, those for other agricultural raw materials were somewhat underfulfilled as a result of poor weather conditions, but more so because of lower yields per acre. Under the second Five-Year Plan, bumper harvests in 1958 for all major food and cash crops were reported. In 1959, the plan was reported overfulfilled. However, in spite of the reported rapid increase in agricultural production, considerable pressure on the supply of consumer goods and industrial raw materials of agricultural origin was almost an annual feature. In 1960, serious shortages of grains and raw materials, reportedly due to natural disasters, but also because of mismanagement of the communes, emerged, so that the agricultural target for the year and that for the remaining plan period had to be revised downwards drastically, calling for large imports of food and raw cotton in 1961. Also, a very significant narrowing of the margin between the rates of growth planned for industry and agriculture was envisaged.

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[42] As a result of insufficient increases in the supply of agricultural raw materials, consumer goods industries were reported not to be able to fulfil the production plan.

In *China: Taiwan,* the national income increased at an annual rate of about 6.4 per cent as compared with the target of 7.4 per cent in the second Four-Year Plan (1956-60). This high rate of growth was attributed chiefly to the high rate of investment[43] supported by external aid, but the rather balanced development between agriculture and industry, and particularly the increase in agricultural productivity, was no small contribution. Agricultural production targets in the first Four-Year Plan (1953-56) were almost fulfilled, with however sizable underfulfilment of production targets for rice and tea. The shortfall in the agricultural production target as a whole was largely accounted for by the fact that lower acreages were planted than originally planned. Satisfactory progress was made, however, in raising yields through co-ordinated programmes of irrigation and drainage development, extended use of fertilizers and improved cultivation methods, all of which were pursued during the second Four-Year Plan period. But again under the second plan production of rice, sugar and tea fell short of the target by 8, 10, and 15 per cent respectively, owing to typhoon damage in 1959 and 1960.

The contribution of the secondary industry sector (mining, manufacturing, electricity and construction) has increased more rapidly than that of agriculture, and its share in the net domestic product has risen from 25 per cent to 28 per cent within the past decade (1951-60), with a consequent fall in the share for agriculture from 34 per cent to 29 per cent. Thus, now on completion of the two Four-Year Plans, the net value added of the two sectors is about equal. The mutual support of agricultural and industrial production can be seen from the increasing inter-sectoral demand and supply. While industrial production more than trebled during the past decade, the use of agricultural requisites of domestic industrial origin (mainly fertilizers) quadrupled. Meanwhile, agricultural production rose by 70 per cent, and the use of industrial material of domestic agricultural origin by 30 per cent. Moreover, as a result of rather rapid industrialization, the share of industrial products in total exports expanded from 4 per cent in 1952 to 30 per cent in 1960, and imports of consumer goods declined from $80 million to $65 million during the same period.[44]

In *India,*[45] during the first Five-Year Plan, owing largely to the progress recorded by agricultural production, the national income increased by 18 per cent as against a target of 12 per cent. During the second Five-Year Plan, on the other hand, the increase in national income was 20 per cent as against the target of 25 per cent. Over the past decade, the increase in national income has been 42 per cent, but as a result of the increase in population, the increase in income *per capita* has been only 16 per cent. The rates of investment and domestic saving under both plans more or less reached the targets — except for the saving rate in the last year of the second plan, which is notably below the target (see table 6).

The over-fulfilment of the income target under the first Five-Year Plan and the under-fulfilment under the second are reflected in the difference in capital/output ratio. As noted earlier, in the case of the first plan, bumper crops had greatly improved the capital/output ratio. In the second plan, however, India was not so lucky with the weather. While output of foodgrains at the end of the first Five-Year Plan was almost 7 per cent more than the plan targets, at the end of the second plan it fell short of the plan schedule by about 7 per cent. Except for jute and tea, the actual output of other commercial crops was also below the second plan targets. In addition to the unfavourable weather, accounting for the shortfall in agricultural output, irrigation schemes lagged behind schedule, and existing irrigation facilities could not be fully utilized owing to delays in the construction of channels, etc.

As far as industrial production is concerned, while the first plan stressed fuller utilization of the existing capacity, the second plan placed special emphasis on the development of basic and heavy industries, particularly the iron and steel and machine-building industries. Government investment in the industry sector also increased more than 11 times, and the industrial production index (of both the public and the private sectors) rose from 139 in 1955/56 to 194 in 1960/61, with 1950/51 as 100. The increase in the production of producer goods, e.g. iron and steel, machinery and heavy chemicals, far exceeded the average. However, in comparison with the plan targets, shortfalls occurred in the production of iron and steel, aluminium, industrial machinery, cement, nitrogenous fertilizers, whereas in the consumer goods industries, under-fulfilment of plan targets took place in the textile industries, sugar, paper and paperboard, and rubber manufactures. The failure to meet the goal under the second plan in full appears to highlight the stresses and strains imposed by the rapid industrialization of an economy, especially in the private sector, which, owing to lack of many basic industrial raw materials and, to some extent also, of technical skill, has been compelled to depend on external sources whose availability could not be fully secured on account of foreign exchange shortages. The gestation period of many projects appeared, on the average, longer than anticipated, particularly in the case of heavy industries. However, it can be stated that some basic conditions, including institutional changes, required for growth were now broadly established, especially during the second plan period, and a higher rate of accelerated growth may be expected in the foreseeable future.

The rate and pattern of growth in the *Philippines* are rather similar to those in China: Taiwan, although the annual growth rates of national product were lower than that of Taiwan both in the plans and in performance. As in Taiwan, the annual increase in agricultural production was a little higher than 3 per cent during 1952-59, and that of industrial production a little higher than 11 per cent (see table 9). The investment rate in the Philippines (9 per cent of the gross domestic product in 1959) was, however, much lower than that in Taiwan (25 per cent in 1959), probably owing largely to statistical underestimation of capital formation.

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[43] In terms of investment expenditure, the implementation of the first Four-Year Plan was 13 per cent below the planned goal. (Information supplied by the Replies to ECAFE's Questionnaires by the Government of the Republic of China).

[44] Replies to ECAFE secretariat's questionnaires by the Government of the Republic of China.

[45] See *Third Five-Year Plan,* prepared by the Planning Commission of the Government of India.

In Burma and Pakistan, however, actual performance fell far behind the planned income targets. Ceylon joins Pakistan in a very poor performance in the rate of increase in *per capita* income (one per cent per annum). The Federation of Malaya has planned a low rate of growth for the coming five years, in spite of its abundant financial resources. Ceylon's Six-Year Investment Programme and the Federation of Malaya's first Five-Year Plan do not contain aggregate targets, and have never been seriously put into operation.

In Pakistan,[46] the shortfall in the implementation of the First Plan was due to several factors. First, there was the failure in the key sector of agriculture, partly on account of unfavourable weather. The increase in output of foodgrains, expected to be 9 per cent during the first Five-Year Plan, turned out to be almost negligible. The failure to increase food production resulted in heavy imports of foodgrains valued at Rs 700 million, as compared with Rs 410 million provided in the plan. Tea and tobacco fell by 30 and 20 per cent respectively over the base year. Cotton, jute and sugar, although rising respectively by 2, 5 and 30 per cent over the base period, remained well below planned targets.

Secondly, the deterioration in the terms of trade reduced foreign exchange earnings. Foreign exchange earnings from exports fell short of plan projections by about Rs 946 million, because both the volume and prices of the country's chief primary exports declined sharply during the plan period. Imports, on the other hand, were about Rs 2,165 million less than expected, and because of the sharp increase in import prices, the shortfall in real terms was substantially larger. Cutbacks were particularly severe in imports of development goods and allocations to the private sector; serious shortages of imported raw materials and consumer goods, and under-utilization of industrial capacity were experienced. Arrivals of project and commodity aid (excluding food) were about Rs 823 million less than expected, owing largely to procedural and administrative delays in commitments and the utilization of foreign aid.

Thirdly, owing chiefly to an unexpectedly large increase in non-development expenditures, the financial resources available for development purposes in the public sector during the plan period fell short of expectations. The total non-development expenditure of the Government exceeded its revenue receipts by Rs 280 million, against a surplus of Rs 1,000 million contemplated in the plan, although in the last two years public savings were positive. A considerable rise in prices took place. This, together with the rise in import prices, upset the cost calculations included in the plan and reduced the purchasing power of the available financial means. Moreover, deficient advance planning, shortages of key personnel, equipment and materials, ineffective co-ordination between government agencies and failure to observe the discipline of the plan made it necessary for many projects to be completed over a longer period of time than was expected.

Nevertheless, the country registered important economic advances, and plan targets were reached in a number of sectors, notably in transport, power and industry. Various organizational and institutional improvements were effected. On the whole, although the progress has been a good deal less than was hoped for, there was a significant improvement in the climate for future planned economic development.

The case of *Burma*[47] illustrates even more clearly how seriously the external demand factor can interrupt a planned development in an export economy. The Eight-Year Plan aimed at an annual increase of national income at a rate of 7.4 per cent and of *per capita* income by 6.2 per cent, so that by 1959 the pre-war level of living could be restored or even slightly exceeded. The actual achievement at 4.6 and 3.6 per cent respectively was quite impressive by the standards of under-developed countries, but it fell substantially below the targets. The gross domestic product barely surpassed the prewar level, *per capita* output was 17 per cent below that of pre-war, and *per capita* consumption 14 per cent below.

The main reasons for the shortfalls were the over-optimistic forecast of the production and export proceeds of rice, the staple crop of the economy, and the unexpected adverse turn of the world rice market. While the plan assumed a gradual decline of the rice price by less than 14 per cent during the plan period, the actual fall was almost 50 per cent. As a result, the actual proceeds from rice exports were only half of the plan estimates. The sudden large reduction in financial resources, especially foreign exchange, became a major bottleneck in implementing the plan.

Meanwhile, the excessive emphasis on development of basic facilities such as transport and power partly induced by the optimism about export earnings, added fuel to the fire. It resulted in both a high capital/output ratio and a large import content, even higher than that planned. While the plan assumed a marginal capital/output ratio of 2.5, the actual ratio turned out to be 3.5. While the plan assumed a one-third ratio for imported materials, equipment and service payments out of total expenditures, the actual import content of development expenditures, at least in the public sector, amounted to no less than one-half. The higher actual capital/output ratio has, to no small extent, been due to the lack of efficiency in carrying out the development projects which prolonged the gestation period of new investment, including that in new industrial undertakings.

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[46] See Government of Pakistan, Planning, Commission, *The Second Five-Year Plan* (1960-65), pp.1-3.

[47] U Thet Tun, *Burma's Experience in Economic Planning, op.cit.*

The Eight-Year Plan had virtually been abandoned by 1955. Severe import and foreign exchange controls were resorted to. Budget allocations for both current and capital expenditures were cut; in general only those projects on which work had been started or equipment purchases committed were allowed to continue. The Eight-Year Plan was soon superseded by the first Four-Year Plan (1956/57-1959/60), which had no income target. It emphasized the objective of reducing instability, strengthening the base of the economy, and stressed the importance of foreign exchange earning and saving, and a low capital/output ratio or new quick-yielding projects.

On the whole, during the postwar period, the rate of capital formation in Burma has ben remarkably high, about 18 per cent of the gross domestic product, but the rate of growth of output of slightly below 5 per cent per annum does not seem to be as high as it could be. The explanation may lie partly in the unbalanced development of laying undue and disproportionate emphasis on physical infrastructure, partly in the under-utilization of such basic facilities and even industrial capacity,[48] and partly in the low efficiency of labour. In the immediate future, improvement in equipment and labour efficiency appears to be more conducive to a more rapid rate of growth than merely maintaining a high rate of capital formation.

STRUCTURAL CHANGES IN THE ECONOMIES

Together with economic growth, structural changes also occur in such a way that the contribution to

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[48] Even today, after a few years of operation, most of the state mills are running below 65 per cent of full rated capacity and some below 40 per cent. U Thet Tun, *ibid.*

Table 10

INDUSTRIAL ORIGIN OF NET DOMESTIC PRODUCT AT CURRENT PRICES
(percentage)

Country		*Total*	*Agriculture, forestry, fishing*	*Mining*	*Manufacturing*	*Construction*	*Transportation, communication, utilities*	*Wholesale & retail trade*	*Ownership of dwellings*	*Public administration & defence*	*Other services*
Burma	1951	100	46.4	1.5	10.3	2.6	2.0	23.7	4.3	7.4	1.8
	1959	100	42.5	1.7	14.1	2.9	2.4	20.0	3.9	10.7	1.8
Cambodia[a]	1951	100	56.9	0.9	5.7	3.2	...[b]	14.5	...[c]	6.9	11.9[c]
	1959	100	41.3	1.0	8.0	3.4	...[b]	19.6	...[c]	14.2	12.5[c]
Ceylon[d]	1950	100	54.7	0.2	4.0	6.8	8.1	8.5	1.4	8.5	7.8
	1959	100	48.2	0.1	5.0	9.7	6.5	8.0	2.2	8.3	12.0
China: Taiwan[d]	1951	100	33.5	1.0	18.6	4.6	7.6	12.4	...	12.1	10.2
	1959	100	29.9	2.3	19.7	4.4	7.4	15.7	...	11.4	9.2
India	1950	100	51.2	0.7	15.3		2.3	15.4	4.3	4.5	6.3
	1959	100	48.0	1.1	16.8		3.0	13.9	4.1	6.3	6.8
Indonesia	1951	100	53.7	2.4	9.6	1.3	3.2	16.8	4.5	6.2	2.3
	1959	100	55.9	2.5	8.0	33.6					
Japan	1950	100	25.9	3.0	24.8	4.0	7.4	16.5	18.4		
	1959	100	16.5	1.8	27.0	5.6	10.2	15.5	23.4		
Korea, south[d]	1953	100	47.1	1.1	7.5	2.5	2.7	15.3	8.5	7.4	7.9
	1960	100	34.6	1.5	12.3	4.0	5.6	15.6	6.9	8.1	11.4
Pakistan[e]	1950	100	60.8	0.1	7.2	...[f]	2.9	9.3	5.9	4.8	9.0[f]
	1959	100	55.1	0.3	12.4	...[f]	3.0	9.3	5.2	6.1	8.6[f]
Philippines[g]	1950	100	42.2	1.0	8.5	4.0	3.5	12.7	...[c]	6.5	21.6[c]
	1959	100	33.9	1.8	17.3	3.3	3.7	11.5	8.5	7.9	12.1
Thailand[h]	1950	100	57.2	1.5	12.7	0.6	1.3	14.3	0.6	4.2	7.6
	1959	100	37.0	1.4	14.5	3.9	6.7	19.7	2.9[c]	5.6	8.3

Sources: United Nations *Economic Survey of Asia and the Far East* 1960, Asian Economic Statistics; and *Yearbooks of National Accounts Statistics*.

[a] Gross domestic product at 1956 factor cost.

[b] Distributed among other items.

[c] "Ownership of dwellings" included under "Other services".

[d] Gross domestic product at factor cost.

[e] At factor cost prices of 1949/50-1952/53.

[f] "Construction" included under "other services".

[g] Net national product at factor cost.

[h] Gross domestic product at market prices.

[i] Rental income.

national income of the primary sector decreases, that of industry and transport increases and that of other sectors remains stable.[49] Most countries of the region have planned for industrialization, and actual development during the past decade has broadly conformed to this general pattern (see table 10). Japan, already an industrialized country, has effected a further rapid reduction in the share of agriculture in the net domestic product-from 26 per cent in 1950 to about 16 per cent in 1959. However, the increase in the share of manufacturing industry and construction has been comparatively small; the increase in national income has been widely shared by the various services segments, and housing.

Among other countries of the region, the under-developed state of the economy has been characterized by the predominance of the agriculture sector; mining as another segment of the primary sector is negligible in most of them, except in China: Taiwan and Indonesia, contributing less than 2 per cent of the national income. During the past decade, four countries (Cambodia, south Korea, the Philippines and Thailand), which had a relatively high rate of growth, also experienced a rapid decrease in the share of agriculture in the national income; the exceptions were Burma, and China: Taiwan, where the share of agriculture was already comparatively low to begin with. And in two of these four countries (south Korea and the Philippines) the share of manufacturing industry in the national income has also increased more rapidly than the others. Pakistan also showed a rapid increase in the industry sector; however its agriculture share revealed no substantial decrease.

The various services sectors showed rather erratic changes, except that a substantial increase in public administration (and defence) is noticeable in newly independent countries such as Burma, Cambodia, India, Pakistan and the Philippines.

In spite of the economic growth during the last decade, the agricultural sector is still very large in most countries of the region. In 1959, it was 30-40 per cent of the domestic product in China: Taiwan, south Korea, the Philippines and Thailand; 40-50 per cent in Burma, Cambodia, Ceylon, India and Thailand, and slightly over 55 per cent in Indonesia and Pakistan. These percentages may be compared with the average of 25 per cent for the world medium income countries, and 46 per cent for the world low income countries as found by Kuznets.[50] As far as the share of the industry sector (mining, manufacturing and construction) is concerned, only China: Taiwan and Japan were approaching the world average (26 per cent) of the medium income countries. There is still a long way for these countries to go in moving up from poor to well-to-do and from well-to-do to rich countries.

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[49] See Kuznets *op.cit.* and Chenery, *op.cit.*

[50] *Op. cit.*

VIII. CONCLUSION

While practically all countries of the region are now operating under the guidance of a plan of some sort to further economic development, the suitability of the plans and the extent of implementation differ widely among them. Several countries seem still to be in the stage of seeking political stability or fighting against inflation. In these countries, the creation of favourable basic conditions for economic development is perhaps more important than immediately embarking upon an ambitious development plan.[51] Most countries of the region have planned an investment rate of around 15 per cent. With this rate of investment and adequate investment efficiency, one would wonder why they cannot achieve a 5-6 per cent growth rate of national income, and a 3 per cent growth rate of *per capita* income. This rate of income growth should also be considered desirable for narrowing the gap in living standards between developed and under-developed countries. In the past decade, many countries have not achieved this rate. Bad weather and adverse terms of trade have been exogenous factors; but the more fundamental problem has been how to absorb effectively and efficiently this or a higher rate of investment into the economy, in order to gather momentum for a "take-off".

While the absorptive capacity or the ability to invest is conditioned by the traditional society, it can also be changed by development efforts. Hence the importance attached to the strategy of development. The provision of economic and social infrastructure has greatly widened the horizon of investment in directly productive activities in the region during the past decade. However, there have been instances of wastage in public spending in these fields. Development in education and health has generally enhanced the absorptive capacity in many ways, but not all social welfare expenditures have been conducive to increased capacity to create wealth. In low income countries, "non-productive" social expenditures should indeed be resisted by a government firmly committed to the task of providing a more or less permanent basis for a steady improvement in the level of living. Governments of the region have also used various policy measures to offer inducements to private investment. However, in some countries inducement measures have become so excessive that strict administrative controls have had to be used in resource allocation, with the net result of hindering, rather than encouraging, the full realization of investment potentials (especially in industry) of the private sector. In such countries, the desirability of a new balance between controls and the use of price mechanism should be thoroughly reviewed.

An increase in absorptive capacity does not necessarily mean that all investment which takes place yields a maximum output. There has been no lack of instance where over-investment in certain sectors resulted in idle capacity and created strains in other sectors of the economy. In this connexion, a balanced development between infrastructure and directly productive activities, and between agriculture and industry in the public investment programmes, taking into account the related economic activity in the private sector, requires particular attention from planners. As far as individual projects are concerned, demand (domestic and foreign) projections and assessment of inter-industrial relations, wherever possible, are indispensable to assure feasibility.

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[51] The failure of plan implementation there should not be interpreted as something wrong in the basic approach of planning.

Although a country may be able to achieve a "take-off" in economic growth by boosting the absorptive capacity in order to realize a 15 per cent or higher rate of investment and by maintaining an adequate investment efficiency for a number of years, it does not mean that the take-off has to be entirely self-supported. In view of the existing low levels of saving and the difficulties of raising the marginal rate of saving, it would be rather unrealistic to expect many under-developed countries of the region to attain the stage of a self-sustained growth within, say, 20 years, particularly because any family planning policy would not reduce substantially the labour force seeking employment within the coming 20 years. During this critical period, a foreign-aid generated take-off, which is to lead to a self-sustained growth, becomes a necessity.

The attack on poverty in under-developed countries has been increasingly considered as an international concern and, in fact, the bulk of external resources available to countries of the region have been public funds. The tendency is for such funds to increase and to be extended over a longer period. While this tendency is welcome, it also appears desirable to integrate external assistance closely with national development plans. Foreign assistance tends to be effectively used in countries where the absorptive capacity is substantial, and paid back where the capacity to repay is considerable. The extent of the capacity to repay depends not only on the development efforts of aid-receiving countries, but also on the trade policy of aid-giving countries with respect to the exports of the aid-receiving countries; that policy must be liberalized. The gap between the absorptive capacity and the capacity to repay, as well as the need to improve the absorptive capacity, presumably have to be filled by grants. It goes without saying that efforts to increase domestic saving have to be pursued vigorously with a view to the eventual achievement of self-sustained economic growth.

ADMINISTRATIVE MACHINERY FOR PLANNING IN THE ECAFE REGION*

I. INTRODUCTION

Almost all the countries in the region have come to recognize and accept the vital role of the government in sponsoring and speeding up economic development. The manner and extent of actual government participation in economic development, however, differs considerably from country to country. In some, the role of government is restricted essentially to building up infrastructure for economic development; in others the government has undertaken direct investment largely to stimulate industrial development; while in some cases it has even established elaborate control and direction over the entire economic activity in order to direct the process of economic and social development in accordance with accepted goals or ideologies. Notwithstanding these differences, all the countries of the region have accepted the new approach of planned economic development.[52] If this approach is to succeed, it is essential to develop administrative machinery capable of performing functions which are different from the traditional ones of defending the country and maintaining law and order. To perform these functions competently, it is necessary to build up administrative machinery which will: (*a*) facilitate the formulation of a plan which is comprehensive, ambitious but realistic and in harmony with the wishes of the people; (*b*) provide for well co-ordinated, prompt and efficient implementation; and (*c*) ensure a close link between formulation and implementation by providing impartial supervision, periodic assessment and adequate adjustments both in the plan and its implementation. The institutions and procedures suitable for ensuring these objectives will be discussed in this paper, bearing in mind the requirements of planned economic development on the one hand, and the differences in political and social institutions on the other.

As a background for the discussion to follow, a brief description of a few types or patterns of political and economic organizations prevailing in the countries of the ECAFE region is given in the following section. The next three sections are devoted to a consideration of the main problems commonly met with in formulating, implementing and supervising the execution of a plan. The section after that contains a discussion of the functions and organization of a central planning agency and the last two sections deal with the organizations and institutions necessary for carrying out the planning work in various government departments and for securing public co-operation at all stages of the plan.[53]

II. CENTRALIZATION AND DECENTRALIZATION OF DECISIONS

The three objectives of the administrative machinery for planning stated in the introduction are common to all planned societies; but political and social conditions differ widely and each country has to evolve institutions and procedures best suited to its national genius. Notwithstanding these differences, it is in every case essential to decentralize administrative decisions by ensuring a proper and well balanced division of responsibility on the one hand, and by providing for appropriate co-ordination among the various levels at which different administrative decisions are taken on the other.

The general character of the administrative machinery for planning will be largely determined, among other factors, by the type of economy a country chooses to have. Countries having a centrally planned economy are believed to have political and economic systems in which conceptually one central authority makes all the decisions and runs the state according to its own ideas. Since the state owns and controls all the means of production, such an authority is all powerful and is presumably believed to be omniscient by the people belonging to and having faith in such a system. Whether this is factually true or not, it is commonly believed that such an all-powerful authority can achieve a much faster speed towards a pre-determined goal of economic development by working out procedures whereby its decisions are executed smoothly and efficienlty by the various operating agencies even if these are remote from the central authority.[54] It is the potential rapidity of economic growth commonly associated with centralized planning which has led many persons to argue in favour of the principle of planning, though they may envisage varying degrees of centralization, most of which fall short of total planning.

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* Revised version of E/CN.11/CAEP.1/L.3, a paper prepared by the ECAFE secretariat for the first session of the Conference of Asian Economic Planners.

[52] A detailed list of the countries which either formulated or adopted economic development plans is given in appendix II.

[53] As far as possible the discussion is undertaken in general terms and factual illustrations from within the region are given in the footnotes. Also a separate appendix (I) summarizing the available information relating to planning agencies in the region is attached.

[54] The view that in planned societies economic development is speeded up has been recently challenged and the point is being debated. See, W.W. Rostow, *The Stages of Economic Growth*, (Cambridge University Press, 1960).

In contrast to a centrally planned economy, a free enterprise economy practices a considerable division of labour in the task of decision making and consequently decentralized decisions are inevitable. In the political sphere, the government takes the final decisions and the group of people responsible for making them is usually distinct. In the economic sphere, decisions, especially those relating to the investment and allocation of resources, are made by private individuals who usually do not participate directly in political or policy matters. The decisions taken independently by the two groups, each acting on a different basis — political decisions for purposes of public welfare or the security of the state and economic decisions for private gain or maximum profit — may not always be either in harmony with each other or in the best interests of society as a whole. To achieve this harmony, therefore, democratic systems have to stimulate free debate and criticism which permit wider sections of society to share in decision making and thus to influence the political and economic groups in arriving at commonly acceptable decisions.

A combination of elements of the two systems is unmistakably apparent almost everywhere; today, in the ECAFE region, the prevailing trend seems to follow a "middle-of-the-road" policy and most economies in the region can be justly described as mixed economies. The reasons for such a trend are obvious. In general, the countries seem to believe that left to themselves, private individuals will not be able to bring about economic development as rapidly as the circumstances warrant. Poverty in these countries is appalling and the task of raising the rates of saving and investment is extremely difficult. It is, however, imperative that economic development be speeded up to the utmost to avoid social explosions and to ensure better standards of living. In the circumstances, many countries believe that the government has to play a vital role in guiding the allocation of resources, in keeping consumption at proper levels, in making it timely and in stepping up savings and investment which are still at very low levels. Guided by this belief, some countries have decided to follow a policy of stimulating industrial development by starting new industries in the public sector which are eventually to be handed over to the private sector. Others are following a course of developing and expanding a public sector which will at once speed up development and keep it on the right lines. Whatever the ultimate goals, the general problem faced by these countries is essentially the same, namely, how to build up a suitable administrative machinery which will ensure a proper division of decision making at various levels and in various sectors and which will harmonize and co-ordinate these decisions in such a way as to reduce inconsistencies to the minimum.

From this viewpoint, it seems desirable to make a few observations generally applicable. In the first place, it must be reckoned that, in any reasonably large and complex society, it is practically impossible for all decisions to be made effectively by one agency only. Any political system, whether centralized or decentralized, offers a large scope for decisions to be taken at different levels by different entities. For example, even in a centralized society, the actual performance of resource allocation is carried out by several separate units which are distinct from one another. There is, therefore, a vast field of decisions which has to be left to the executive or operating units notwithstanding the fact that they have to operate within the goals set by the central agency.[55]

Sometimes a sharp line is drawn between the decisions made at the planning level and those made by the executive agencies while implementing the various programmes. Such a distinction, however, is not easy to make and it is still more difficult to maintain in practice without detriment to the smooth functioning of a planning programme. Whether these decisions are taken by a central planning agency or by the executive agency immediately in charge of a project, they are likely to result in an output different — whether more or less — from the targets set and will considerably affect the future course of the plan, unless proper care is taken to make suitable adjustments in the plan itself from time to time. Such discrepancies in the actual operation of the plan cannot be avoided by evolving rigid procedures regarding actual implementation of the plan. For, in the actual operation of enterprises of modern scale and complexity, innumerable decisions have to be taken by the man on the spot and it is impossible for a central agency to provide guidance on all such matters without serious loss of time and resources. Where human affairs have to be dealt with in great detail, there are limits to the exercise of compulsion or guidance, and the encouragement of voluntary decisions is likely to achieve better results than the habit of depending upon instructions from the superior. When some decentralization takes place in this way, various inconsistencies are bound to arise; and one of the functions of a planning administration is to keep such inconsistencies to the minimum, by taking due note of those which are inevitable and by carrying out adjustments in the future programmes accordingly.

There are two additional reasons why decentralization of decisions may be favoured by the countries in this region. Firstly, large countries like mainland China and India would find it difficult to run a unitary and a perfectly centralized system of government, because of their vast expanse and because of the heterogenous elements in their population, resources, traditions and stages of economic developments. In such circumstances not only are implementation decisions bound to be left to local elements, but even policy decisions may tend to be decentralized. For example, in India, the various constituent states of the Indian Union not only carry the major responsibility of implementing the various schemes approved in the Plan but they also contributed to the formulation of a large part of the Second Five-Year Plan. The main task of the Planning Commission was to find ways and means of balancing their plans against one another, amending them and sometimes changing the magnitudes so as to harmonize them and fit them to the magnitudes of the over-all plan. A similar trend toward decentralization is unmistakably apparent in mainland China. For example, the trend toward centralization which persisted from 1949 to 1957 seems to have been reversed from 1958, and a number of decrees and orders were issued, increasing the powers of the local authorities in respect of allocation of resources, financial control and personnel management.[56] Also the regional organizations in mainland China seem to participate in the formulation of the plan itself by preparing their own plans and submitting them to the State Planning Commission for evaluation and approval.[57]

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[55] An attempt to confront executive agencies with rigid and elaborate rules as to how to execute the projects in their charge, by introducing an element of compulsion, makes the execution of the plan extremely difficult. In such circumstances, if the rules are not quickly changed there will be a tendency to circumvent them in some way or the other.

The second reason for favouring decentralized decisions which, though not basically different from the first, has a special significance for the countries of this region, is that economic activities such as agriculture, where the size of an enterprise is closely related to its geographical expanse and where a large mass of dispersed population is involved, are not suitable for centralized decisions. Thus, problems of communication render the smooth functioning of central planning and control difficult in respect of agriculture as compared with industry. Again, the agricultural population is more backward in respect of education and skills than the urban industrial population and this also adds to the difficulties of control by a single person or authority. Since agriculture constitutes the bulk of economic activity in the countries of the ECAFE region, a planning system in which decisions are decentralized and the problems of co-ordination and adjustments are uppermost is likely to be favoured by them.

III. FORMULATION OF A PLAN

Once a country has decided to cease entrusting its economic development to the free play of market forces, its first task is to consider the lines on which future economic development should take place. In other words a plan has to be formulated indicating the broad pattern on which economic development is envisaged. The formulation of a plan on scientific basis involves three stages: (*i*) the preparation of a long-term plan which indicates the pattern and direction of future economic development as well as the general rate of growth; (*ii*) the preparation of a short-term plan of 4 to 7 years' duration[58] which outlines targets and programmes to be implemented within the specified period and in a manner consistent with the general framework; and (*iii*) breaking down the short-term plan into annual plans to facilitate annual budgeting and implementation. The various problems to be dealt with in formulating such a plan are outlined in this section with a view to clarifying what must be taken care of while building up a suitable planning organization to which the task may eventually be assigned.

Preparation of a long-term plan

The first step in drawing up a long-term plan is to formulate a broad pattern of development and to determine the general rate of development. It is useful for the planners to formulate, at an early stage, the lines of development appropriate to the conditions and needs of the country. Such a formulation should be based on a general appraisal of the main economic facts, as its chief purpose is to afford a clear idea of the pattern and direction of future development. For example, a large country with varied and abundant raw materials will tend to be self-sufficient and the industrial and agricultural structure envisaged by such a country will be very different from that of a small country with limited natural resources. Again, a country which has a rapidly growing population and which is therefore concerned with creating adequate employment opportunities will have a pattern and strategy of development different from one which unhindered by heavy population pressure, is bent on maximizing the national income. It is, therefore, necessary to understand and evaluate the basic features and facts about a country's past and present economic development in order to decide the lines on which its future development may be guided. Such broad lines of development can be decided without precise quantitative analysis. Hence the utmost care should be exercised in entrusting the work to men of wide knowledge, robust common sense, shrewd judgement and lively imagination.

A qualitative exploration of this type, however, will succeed in providing only a preliminary framework and it must be followed by a more quantitative approach and by an analysis designed to help determine the most suitable pace of development. In other words, after deciding the general pattern and direction, the next step is to determine the general rate of economic development. Processes and problems encountered in determining such a rate have been dealt with in another paper,[59] but some of them are reformulated here mainly in order to bring out their relevance to planning machinery. Planning of the general rate may begin with a careful estimation of the amount of savings and capital imports which can be expected on the basis of the existing situation and policies. The second step is to calculate "capital-output ratios" both average and marginal. It then becomes possible to calculate the rate of growth consistent with the current rate of savings and the existing economic policies. Next comes the task of deciding whether this rate of growth is adequate or not and what rate is desirable. This can be ascertained by taking into consideration the future growth of population. If, for example, the general rate of development projected on the basis of current trends indicates that there will be no improvement in the standard of living or that a deterioration is probable, there is obviously an urgent need to improve upon that rate. In any case, raising the rate of growth is a necessity in view of the prevailing poverty in the countries of the region. The essence of long-term planning, therefore, may be said to consist in choosing a rate of growth which is higher than the current rate and which ensures improvement in the standard of living. In choosing an appropriate target for the desirable rate of growth, several considerations have to be weighed carefully. An essential factor which sets the upper limit for a desirable rate of growth is the availability of natural resources; therefore correct assessment of all the natural resources is the first requisite for planning the rate of growth. Next, the possible extent of stepping up the current rate of saving must be ascertained. For this, the future consumption requirements of the growing population have to be calculated on the current basis and the extent to which current consumption can be curtailed either by persuasion or by adequate changes in government policies has to be ascertained. Again, if the problem of growing unemployment is serious, the target of the general rate must be made consistent with the need to create maximum employment opportunities rather than maximization of income.

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[56] For example, the preamble to the "Regulations on Improving the Industrial Management System" issued by the State Council on 15 November 1957, which were designed to increase the powers of local uathorities, states: "Construction in our country is planned, and, accordingly, the construction and production of all enterprises must follow and should never go against the unified state plan . . . but the prevailing situation indicates that two main shortcomings exist in it: (1) Although it is more appropriate for some enterprises to be controlled by regional authorities, they are still being directly controlled by the industrial departments of the central government. Meanwhile, the powers of the regional administrative authorities with regard to the allocation of materials, financial control and personnel management have been too limited. (2) The administrative power vested in the leading management personnel of enterprises has been too limited, while industrial departments have exercised too much control over the business and affair of enterprises". Chao Kuo-chün, *Economic Planning and Organization in Mainland China: A Documentary Study*, Centre for East Asian Studies, Harvard University (1959), page 104.

[57] "All phases of planning in China including preparation, consolidation, and revision, are carried out through this two-tier system: the central planning commissions on one level and the planning organs in the regional administrative structures or the ministries on the other." Chao Kuo-chün, *op.cit.*, pages 1 and 2.

[58] The range is broadly representative of the actual duration of the ECAFE countries. A large number of the EACFE countries have plans of 4 or 5 years' duration. Among the countries having plans of longer duration, mention may be made of Thailand (6 years), Iran (7 years), and Ceylon and Japan (10 years). The Philippines is the only country which has a plan of 3 years' duration.

The desirable rate of growth determined after taking into consideration all these factors might indicate that the existing saving rate must be increased considerably; and then the next set of problems to be considered in fixing the general rate of growth relates to government policies, foreign assistance and to the demarcation of activity between the public and the private sector. A correct assessment of the extent to which savings can be increased by higher taxation or inflation is to assess accurately the existing patterns of income distribution and consumption, future income elasticities of demand, the extent of co-operation that can be obtained from the public and the safe margin of forced savings which the public might be willing to accept. Low domestic savings can be augmented by foreign aid, so correct assessment of available foreign assistance is very valuable in fixing the target of general development. Similarly, in view of the direct action which the government can take to step up public savings effectively, the relative importance attached to the public and private sectors is of considerable significance in deciding the general rate of development. Once this is known, the further problems of projecting private investment and consumption and devising policies calculated to ensure private behaviour in accordance with the projection will have to be faced.

It will be clear from the brief description given in the preceding two paragraphs of the problems to be tackled in fixing up the desirable rate of growth that, if the work is to be done systematically, it will be necessary to review past trends, to ascertain present potentialities and to assess future requirements. This cannot be done without elaborate and painstaking analysis, preferably undertaken by a group of people who can devote continuous attention to such problems. It will be also necessary to organize and collect a vast amount of reliable statistical and other data without which it would not be possible to determine the targets realistically. In view of the fact that a considerable amount of technical knowledge is required in calculating and evaluating several factors, once the broad lines of development have already been decided with the help of a qualitative exploration, it is both convenient and desirable to leave the work of deciding the general rate of growth to a group of experts.[60]

PREPARATION OF A SHORT-TERM PLAN

The long-run target set in respect of the general rate of growth can be reached in several ways. One way is to plan for a steady growth of income, consumption and investment over the entire period of planning. Another way is to lay greater emphasis on the development of capital goods industries in the initial stages and to plan for a substantial increase in consumer goods industries and income in general in the later stages. Or some countries may prefer to increase their exports and use the additional income and foreign exchange earnings to develop industries to satisfy higher consumption. Yet others may wish to stimulate the development of agriculture first and to bring about industrial development in its wake.[61] Any of these might finally lead to the planned rate of growth; but an important task for the planners is to decide upon the right path for the country concerned and thus provide direction for preparing the short-term plan.

Choosing a proper path and planning the development of different sectors requires elaborate analytical work as well as sound and mature judgement based upon practical knowledge of the various fields of economic activity in the country. On the one hand, the development to be planned must be consistent with the general framework and the rate of growth provided in the long-run plan and, on the other, the development of the main sectors must be mutually consistent. Moreover, for each sector, projects have to be selected which will account for the expected development of the sector as a whole. In order to establish the desirable correspondence between the projects to be selected and the sectoral targets derived from the over-all magnitudes, existing projects have to be examined and new ones suggested. For a proper appraisal of projects both direct and indirect, the effects of a project in respect of income, demand and supply have to be ascertained. In addition to the effects amenable to calculation, various "imponderables" have also to be taken into account. For this reason, the various quantitative methods, though they must be fully utilized, cannot be solely relied upon, and the "final decision must always be taken by 'wise men', able to appraise the combined quantitative and imponderable implications according to the aim of development policy".[62] The projects selected for each sector, however, are mutually interrelated and it is very important to take note of these interrelations if bottlenecks and haphazard developments are to be avoided. For this purpose, extensive use has to be made of "input-output analysis" with a view to understanding the implications and interrelations of the selected projects and thereby ensuring consistency among the various sectors.

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[59] See "A Decade of Development Planning and Implementation in the ECAFE Region', in the present issue.

[60] Some countries of the region (e.g. Ceylon, mainland China, India, Japan and Pakistan) have attempted a long-term projection and the Planning Commission in India has a separate division called "Perspective Planning Division" to undertake this sort of work.

[61] All these alternatives are being followed by the countries of the region. For example, mainland China and India have undertaken heavy investment in capial goods indusries. Emphasis on the expantion of export trade is to be seen in a number of plans notably in those of Ceylon and the Federation of Malaya. Most of the other countries seem to be aiming at a steady growth of income, consumption and investment with consequent emphasis on the development of agriculture in some of them.

Care has to be taken of two more points while formulating a short-term plan. First, proper co-ordination must be secured between the public and private sectors. Government control over the private sector being somewhat loose and remote, it is likely that investment may go into the wrong channels and this may create difficulties which may either delay or distort economic development. Therefore, elaborate controls and procedures have to be worked out to ensure consistency and co-ordination between the two sectors. Second, in democratic countries, the selection of projects, the apportioning of allocations to various sectors and even the choice of the path must reflect, at least broadly, the wishes of the people. In small countries where there is greater homogeneity in respect of language, resources and general interests, it may be possible for a small group of men to understand the desires of the people and to make provision for them while formulating a plan. But in large countries with a high degree of heterogeneity in respect of resources, language, traditions and economic development of the various regions, it may be desirable to depend upon local units to prepare regional plans which will later on be examined and co-ordinated into a national plan. In such cases, the task of preparing a short plan may spread out and become much more complicated, thus necessitating an elaborate organization.

The task of preparing a short plan is accordingly much more specific and detailed than in the case of a long-term plan. It will therefore require the co-operation and experience of various types of experts as well as of general administrators and politicians. It will also require a first-hand practical knowledge of various economic activities and for this purpose a continuous contact between the implementing organizations or agencies and those in charge of formulating the plan will be indispensable.

Preparation of annual plans

The main purpose of breaking down a short-term plan into annual plans is to have a correct idea of the resources required from year to year, mainly to facilitate the preparation of the annual budgets. Although the total cost of a plan is known, it would be erroneous to suppose that this cost will be more or less evenly spread over the entire period. For technical reasons, expenditure may be spread most unevenly over the period of the project and this may be true for a large number of the projects of which the plan is comprised. Consequently, the resources required from year to year may vary considerably. Hence the essence of preparing annual plans is to have as concrete an idea as possible of the physical progress which various projects will achieve from year to year and to translate it into financial terms with a view to helping preparation of the annual budget. This is absolutely vital, because financial measures do not yield immediate results and some of them may have to be introduced much before the year during which additional resources are likely to be needed. The preparation of annual plans depends considerably upon obtaining regular reports about both the physical progress made and the expenditure incurred from time to time, with the result that a well-designed system of preparing comprehensive, useful and prompt reports is indispensable. This point will be elaborated at a later stage[63] but it may be noted here that the preparation of annual plans will require close co-operation between the formulating and implementing agencies and that a large amount of the preliminary work will fall upon the implementing agencies.

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[62] United Nations: *Programming Techniques for Economic Development with special reference to Asia and the Far East* (Sales Number 60.II.F.3), page 35.

[63] See pages 32-33.

IV. PROBLEMS OF IMPLEMENTATION

A well-formulated plan will help a great deal in clarifying the government's objectives with precision, and this itself may go a long way towards facilitating its implementation. But much or little can happen between the formulation of a plan and the actual realization of the projects included in the plan. This is particularly true in underdeveloped countries where a significant gap between plan and performance is a common occurrence. For example, it is the experience in many countries of the region that, although plans are prepared with a great amount of care so as to make them as comprehensive, realistic, specific and consistent as possible, their implementation is often partial, slow and inefficient. This may lead to results worse than those expected to follow in the absence of any plan.[64] Successful implementation of a plan is beset with many difficulties and obstacles. Some of these are discussed in this section with the main objective of indicating the points which have to be borne in mind while providing adequate planning machinery.

PROCEDURE FOR APPROVAL

One of the main reasons why many plans remain unimplemented is that, in democratic countries, a plan has to be presented to the legislature and approved by it which involves delays, especially when the government does not possess a strong majority. So the question arises as to whether the approval of the plan by the legislative body is absolutely necessary. If the government consists of elected representatives, there is no reason why the approval of the plan by the chief of state on the recommendation of the cabinet should not be considered a sufficient sanction for launching it. After all, approval of the plan by the legislature only means that the plan has been approved in principle. No bill is introduced and the plan as such does not become law.[65] Indeed it is essential to avoid passing any enactment because it will introduce a certain rigidity which should be avoided at all costs. "Rigidity should not be the signum of economic planning. A main general weakness of an under-developed country is, in fact, rigidity in its entire structure and economic planning should not add a new element to the rigidity its economy is suffering from."[66] Also the annual budget embodying the annual provisions of the plan has to be presented and approved by the legislature and this should provide an adequate opportunity for the legislature to consider, discuss, criticise and change the provisions of the plan as it wishes. Hence, initial approval of the plan by the cabinet and the chief of the state accompanied by wide publicity concerning the provisions of the plan can be considered as sufficient safeguards against undemocratic action. If such simple procedures are accepted, many countries of the region may find the task of launching a plan much easier than it is at present.

IMPLEMENTING AGENCIES

Absence of clear understanding regarding responsibility and manner of implementation can be a serious obstacle in the achievement of plan targets. Three alternative courses can be considered for arriving at a satisfactory arrangement in this respect: (*i*) entrusting the entire responsibility of implementation to a central agency which is also responsible for preparing the plan; (*ii*) leaving the responsibility to the executive departments of the government or the private sector as may be appropriate; and (*iii*) entrusting the responsibility for new development projects to the central agency and leaving current and established projects to the executive departments or the private sectors.

The tendency to entrust the entire responsibility of implementation to a central authority is more pronounced in the initial stages of development.[67] However, a variety of considerations seem not to favour this course. In the first instance, as pointed out earlier,[68] as economic development proceeds it becomes increasingly difficult for the central agency to lay down rigid rules of behaviour, and for the various operating agencies to comply with them. Also centralization of responsibility is practically impossible in respect of agriculture or industries where production is not concentrated but shared by a large number of producers. Apart from these reasons, an attempt at centralization may create difficulties because the existing government departments in most of the ECAFE countries are already organized to carry out executive functions in respect of public enterprises like railways, road construction, ammunition factories, electricity, etc. These activities loom large in most plans of the countries of this region. An attempt, therefore, to reorganize these departments so as to reduce their functions and to transfer them to the central agency along with their staff is likely to result in much confusion, dislocation and diffidence among the people actually in charge of the operation of specific enterprises or schemes. Again, in many ECAFE countries, the private sector is sizable and significant. An attempt to centralize responsibility would result in nothing more than the assumption of some routine administrative work involved in enforcing various controls and regulations for that purpose. On the whole, therefore, it may not be desirable to entrust to a central planning agency the functions both of preparing and implementing the plan.

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[64] "Nothing will be more disheartening and, in the long run, more disastrous than the failure to exeucte a fine plan or the abandonment of half-finished projects. If the choice is apt to be between waiting for a complete and perfect plan on the one hand, and making a concrete start on the basis of an incomplete plan on the other, the latter may, under certain circumstances, be preferable". United Nations, *Standards and Techniques of Public Administration,* (Sales No.1951 ST/TAA/M/1), page 27.

[65] There are some exceptions to this statement. For example, in Iran the plan was passed as "the Law of the Second Seven-Year Development Plan of Iran" and is known by that title. The Law was passed by both houses, the Senate and the Consultative Assembly, and was approved by the Shahinshah of Iran. The Indonesian Plan also is called "the Draft Fundamental Law of the National Over-all Development Plan"; the intention seems to be that, once it had been made a law by the Temporary People's Council no government authority or department should make any alterations in the plan.

[66] Gunnar Myrdal, "India's Economic Planning in Its Broader Setting" in *AICC Economic Review* (July 1, 1958), page 6.

[67] Such a trend is observable at present in Indonesia where the idea of creating the National Planning Council seems to be that it should be responsible for implementation also, as may be seen from the following extracts:

"Besides planning, this Council has been charged with investigating, supervising and evaluating all kinds of development... The decision to make us responsible for all this has proved to be wise, the implementation programme being an essential part of the plan for development. . . .

"I can further inform you that the assignments of the National Planning Council do not end with the construction of the plans themselves . . . . The N.P.C. must be ready to carry out the wishes of the people. It must help change the plans on paper into factories, ships, docks, schools, hospitals and so on." (Speech of Professor H. Muhammad Yamin, the Minister-Chairman of the National Planning Council on the occasion of the presentation of the Draft Fundamental Law of the First National Over-all Development Plan to the President).

In Burma also reorganization of the planning machinery in 1958 was undertaken with a view to combining the functions of planning, implementing and supervising. In February 1958, the two bodies, the Ministry of National Planning and The Economic and Social Board, were amalgamated into a Prime Minister's Office for National Planning. Explaining this change, U Thet Tun writes: "The functions of planning, implementing and supervising the execution of development plans were vested separately and respectively in the Ministry of National Planning, executive agencies of the Government and the Economic and Social Board, in the belief that the combination of these functions in one body would jeopardize their successful discharge. In practice, however, it was found difficult to secure such a rigid separation of functions." U Thet Tun, *Burma's Experience in Economic Planning,* (Superintendent, Government Printing and Stationery, Rangoon 1960), pages 40-41.

[68] See pages 27-28.

The second course, namely, that of leaving implementation work to the executive departments of the government is more commonly followed by the ECAFE countries. Here, care must be taken to ensure that the various projects and enterprises are established and run on strictly commercial principles. From this point of view, it would be desirable to establish autonomous public corporations which are free from day-to-day control by the department and which are run on sound commercial principles.[69] The responsibility of the government department is that of over-all supervision mainly for the purpose of keeping individual developments within the general framework and of providing general guidance and control consistent with its responsibilities to the legislature in general and to the plan in particular. This applies to projects in the public sector. In addition, the various government departments must also assume the responsibility of keeping the developments in the private sector in conformity with the plan provisions. For this purpose it will be essential to regulate the development of new industries and the expansion of old ones, making both of them subject to review and sanction by the government. At the same time, control over capital issue will have to be instituted and arrangements made for obtaining regular and reliable periodic reports of the progress of the various industries. The desirability of obtaining such reports and the methods of preparing them are dealt with later in this paper.[70]

The third course, namely, that of requiring the central agency to assume responsibility in respect of development projects only,[71] does not seem to have any advantage except that it may be preferred by the governments which desire to establish new enterprises in the public sector only for selling them later to private individuals. Separation of such projects from the normal government responsibilities may facilitate accounting and the determination of cost and it may make the pricing of such projects easy at the time of the transfer. Otherwise, the adoption of such a course is likely to lead to duplication, uneconomic utilization of the government staff and resources and may give rise to administrative difficultes if the pay scales and terms of employment offered by the central agency are different from those offered by government departments.

A common obstacle in all the systems of implementation is that of the various time-lags which occur between the formulation of the policy and its implementation. It is probable that these may vary from one system to another and that some systems may be preferable on that count to others. However, incalculable damage may occur and even be recurrent, if a constant effort is not made at estimating such time lags and at making adequate provision for them during the process of planning. For instance, if the time required for acquiring and preparing the site for a factory is not known and machinery is ordered without taking proper steps in advance to prepare the site, the machinery may arrive much too early; in that case, it may have rusted and become useless by the time the site is chosen, the land acquired and the factory built. In addition to this actual loss of direct investment in the project, much more cost may be entailed and dislocation caused to industries whose planning or functioning is dependent on the original project. A conscious and careful attempt at calculating various time-lags and providing for them, will therefore, contribute greatly to the smooth implementation of the plan.

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[69] For a more detailed discussion of the advantages of establishing separate autonomous corporations see "Financing of Transport Development" in ECAFE, *Economic Bulletin for Asia and the Far East,* December, 1960, p.41.

[70] See *infra,* pages 32-33.

[71] Iran seems to be the only country in this region that has adopted a course very similar to this. The Plan Organization in that country was quite a separate entity with its own financial resources and the enterprises established by the organization were more or less confined to the country's developmental programme.

V. REVIEW AND ADJUSTMENTS IN PLAN

As pointed out earlier, decentralization of decisions becomes inevitable in any planned economy, with the consequence that actual performance may either lag behind or exceed the targets.[72] Such deviations are bound to affect the original estimates and allocations of the plan; and, unless constant care is exercised to review and readjust the plan provision, bottlenecks will develop, delays occur and smooth working of the plan become impossible. These shortcomings can easily generate strains and stresses which may jeopardise the very existence of the planned effort. Hence the utmost importance should be attached to evolving an adequate system of preparing periodic reviews of progress and adjustments in the plan.

Progress reports are required for various purposes and their content and periodicity depend upon the purpose for which they are intended. The reports required for keeping a check on day-to-day working must be brief and they should be obtained at frequent intervals. Such reports, which may be obtained quarterly, monthly or even at shorter intervals, are chiefly required by the agencies immediately in charge of a project and they should be prepared by the agencies themselves in accordance with their own requirements.

The government department which bears the over-all responsibility for a number of projects is likely to be interested in obtaining periodical reports mainly with a view to discharging its responsibility to the cabinet and the legislature. Its main purpose is to ascertain from time to time whether the pace of progress is being maintained or not and to take steps, within its resources and responsibilities, to correct the situation where it is not satisfactory. Its immediate concern should be to estimate the effects of the steps proposed and to ascertain and report to the central planning agency the unavoidable deviations from the original plan which seem likely to occur. The main purpose of such an exercise is to assess, from the point of view of the department itself, either the additional requirements or the surpluses which it expects to have at the end of the year on the basis of past trends and the corrective measures it proposes to take. Such reports will obviously have to be prepared in detail and the main attempt should be to have good understanding both of the physical progress and the financial implications of each aspect of the project. The details of such reports will have to be carefully worked out, not only to enable the government department to decide the concrete steps it should take to deal with a given situation, but also to furnish a basis for checking up the various basic ratios assumed in the original estimates while formulating the plan. For this purpose it is desirable to associate the planners as well as the immediately responsible departments with the executive agencies who will be required to prepare such reports. In view of the fact that the officers of the executive agencies are likely to be technical experts concerned with day-to-day problems, it would not be right to expect them to prepare the comprehensive and objective reviews necessary for such reports. Hence it is desirable not to limit the association of the government departments and planning agency to designing the framework of such reports but to permit them to participate in the actual preparation of the report. Reports of this type, requiring examination of progress from many angles, as well as a large amount of detail and the assessment of immediate future trends, cannot be prepared very often; and, from the point of view of planning, it should be sufficient if such reports are obtained once a year for the purpose of checking and revising the annual plans. At the most, if circumstances so require, a brief report may be obtained at the end of six months and a detailed final report at the end of the year. Attempts to acquire reports more frequently than this may result in imposing unnecessarily large demands on the staff of the executive agencies which will hinder rather than help their work.

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[72] See *supra,* pages 27-28.

It may also be pointed out that the main concern of the planning agency in obtaining such reports is to take note of deviations from the original plan, to ascertain their causes and to suggest readjustments in the plan. The agency's association or participation in the preparation of such annual reports should be strictly confined to ensuring that the report contains all the information and statistical data required for its work. With the help of this data, the important work of the planning agency is to check and revise its original estimates, and to suggest and carry out adjustments with a view to securing consistency and smooth working of the plan. This can be done in two ways: (*i*) either by revising the next annual plan but still keeping within the general framework of the short-term plan or (*ii*) by preparing rolling plans which keep on revising the short-term plan every year. For example, a five-year plan for 1960-1964 would automatically be revised at the end of 1960 and a fresh plan prepared for the period 1961-1965. The main advantage claimed for this procedure is that it allows plenty of scope for flexibility and that the procedure may be found suitable in conditions where there is a strong tendency among the people and their representatives to criticize and look down upon every short-fall in the achievement of targets. But where such a tendency is not predominent, it is quite possible to stick to the practice of fixed short-term plans which are revised only once in a while and yet maintain the flexibility necessary for the actual implementation of the plan.[73] As a matter of fact, most of the countries of the region have such short-term plans and the principle of rolling plans does not seem to have found favour with them.[74]

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[73] Writing on the necessity of formulating a plan notwithstanding the fact that it may be difficult to adhere to it, W. Arthur Lewis says, "Since no one can foresee the future, even for so short a period as five years, it would be a disadvantage to be bound strictly by the provisions of such a plan. These programmes get quickly out of date . . . Hence any such plan must be subject to constant revision. To meet this difficulty the Government of Puerto Rico revises its six-year plan every year, making in each year a plan for the next six years. No device can ensure that the plan will always take account of changed circumstances. On the other hand, a plan is needed because, though we cannot foretell the future, we also cannot act rationally without making plans for the future, in the light of whatever information is available at the time." W. Arthur Lewis, *The Theory of Economic Growth,* (London, George Allen and Urwin Ltd.), page 393.

[74] Ceylon and the Philippines are the only known countries which follow the practice of preparing annually three-year implementation programmes.

VI. FUNCTIONS AND ORGANIZATION OF A CENTRAL PLANNING AGENCY

The decision to have planned economic development will have a profound effect on the traditional functions and work of the government. As a result of the assumption of economic and welfare functions, not only does the work of the government become much more technical and complicated, but also a fundamental and growing need is felt for basing policies on long-term thinking and considering every problem comprehensively as part of a pre-conceived scheme. This is in sharp contrast to the normal administrative tradition of dealing piecemeal with each problem and of carrying on government work on day-to-day basis. Long established government machinery for carrying on the traditional government functions, which include some economic work also, such as providing transport facilities and power generation, exists in all the countries of the region. The chief problem in developing planning machinery therefore is three-fold. First, a new organization has to be created to undertake the work of providing long-term thinking, i.e. formulating plans. Second, the existing departments have to be equipped to execute the programmes in a manner consistent with the general framework. Finally, effective liaison must be provided between the planning agency and the executive agencies. The functions, organization and methods of work of a central planning agency to meet these various needs of planning work are discussed in this section.

FUNCTIONS

The chief functions which any central planning agency — hereafter referred to as the planning agency — will have to assume include: (*i*) assessment of natural, human, and capital resources; (*ii*) preparation of long-term, short-term and annual plans; and (*iii*) periodic appraisal of the progress and revision of the plan.

In carrying out the above functions, the planning agency has to collect a large amount of statistical and other data on the one hand, and to deal with policy questions on the other. In so doing, it is likely to encroach upon the functions of other departments. Maximum care has to be exercised, therefore, in avoiding complications and waste of resources arising from lack of clarity in defining the work to be done by each. Although exact demarcation of the work is a matter of detail to be decided by each government, a few general considerations may be stated here.

As regards assessment of natural resources, the work involved is two-fold. First, a correct picture of the existing resources has to be drawn up. Second, the possibilities of developing and augmenting them must be investigated. In doing this work it must be remembered that the main object is to assess the scope of available resources and it is not necessary for the planning agency itself to assume the actual work of collecting information or data; but it should have some section or branch whose main work is to obtain information from the various agencies primarily responsible for collecting these data, and to arrange and analyze the data in such a way that the task of assessment is facilitated.

As stated earlier,[75] the task of preparing a long-term plan does not require much consultation with people engaged in field work and can be entrusted to a group of experts. Hence this work can be more or less exclusively assigned to the planning agency. The preparation of short-term and annual plans requires considerable assistance and co-operation from the departments and agencies in charge of the actual implementation of projects. In this connexion, the main responsibility of the planning agency should be to ensure consistency among the programmes in the various sectors on the one hand and with the perspective or long-term plan on the other. Naturally suggestions for the inclusion of projects and programmes in the plans will be received from the government departments or provincial governments as the case may be. But the planning agency is required to analyze and assess the proposals received from other government agencies with a view to judging their consistency.

The responsibility for preparing both the short-term and annual plans must rest with the planning agency. The type of work involved in each case being different, it may be found convenient to have a separate section to carry on the work of preparing each of the three plans. The qualifications and experience needed will also be slightly different in each case and the formation of separate sections may facilitate recruitment and the division of work. However, all the work of the three sections will be closely related and it may be desirable to combine them into one division in charge of a planning expert of varied experience and ability commanding respect from both specialists and practical men alike. In view of the fact that the main function of the planning agency is to formulate plans, it follows that the division in charge of preparing these plans will be the most important one.

The manner in which periodic progress reports should be prepared has already been indicated.[76] The work to be done in this connexion by the planning agency would be to consolidate, analyse and arrange the material received in such a way as to be able to compare it with and use it as a check upon the methods used in making the original estimates, to correct and revise them where necessary and to recommend steps for improving upon the executive action where necessary.

A planning agency requires lot of statistical and other data relating to natural resources, population, production, capital, trade, transport, national income, cost, etc. These data are also required by the executive departments and perhaps can be conveniently collected during the course of their normal work. It would, therefore, be futile for a planning agency to set up its own statistical services primarily responsible for the collection of all these data as distinct from the section responsible for obtaining, maintaining and analyzing the data collected from other government departments or agencies. The main interest of the planning agency is to derive some aggregate relationships and it is best for it to confine its work to this aspect. Again, the planning agency will be in need of specific data on such important matters as capital-output ratios, marginal rate of saving, income elasticities, changes in the consumption and saving habits of the people in response to changes in income, factors affecting migration and mobility of labour, etc. It may be necessary to conduct specific surveys for getting such information and, in certain circumstances, the planning agency may be required to undertake the work itself. The best course, however, is to hand over such work to special statistical organizations but taking adequate care to ensure that the surveys are conducted so as to yield data in conformity with the requirements of the planning agency.

Another function assumed by some planning agencies in the region, *e.g.* in Afghanistan, the Federation of Malaya, Singapore and Thailand, relates to the consideration and co-ordination of foreign assistance. As the plans of the countries of this region depend to a considerable extent on the receipt of foreign assistance, it is inevitable that the central planning agency should be vitally concerned with the problems of such assistance. Consequently, planning agencies generally have to undertake substantial work relating to foreign assistance, irrespective of whether a separate section is maintained for that work or not. The work undertaken, however, should be consistent with the main function of the planning body, namely of preparing a comprehensive and consistent plan. For this purpose, it is essential to co-ordinate the proposals for receiving foreign assistance made by various government departments and by private agencies, to assess the availability of foreign assistance, to analyse its implications for deciding the foreign exchange component of the plan as a whole, and to adjust the various projects in such a way that the total demand for and supply of foreign exchange balance each other. This important work requires a comprehensive outlook and analysis and considerable technical training and background which cannot be expected of a normal executive department of the government. Work of this nature, therefore, can be best undertaken by the planning agency. On the other hand, a lot of administrative work is involved in preparing proposals for the consideration of the lending agency, in actually negotiating these proposals and even in the procurement, management and repayment of the funds sanctioned. Detailed work of this kind can be suitably carried out by the appropriate executive department or departments of the government.

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[75] See *supra*, page 29.

[76] See page 32-33.

The question as to whether the planning agency should take an active part in policy-making or not is more difficult to decide and opinion seems to be divided on this question. One view is that the planning agency should not be allowed to mix itself with the actual process of making public policies especially in matters other than development. According to this view the planning agency should be essentially an advisory body consisting of experts whose concern with policy matters should be confined or limited to long-term development problems, leaving the departments and the cabinet free to decide upon the actual policies. For example, in India, "all cases involving policy are submitted for consideration at one of the meetings of the Commission. The cases to be considered by the Commission as a whole include recommendations in regard to the formulation and progress of the five-year and annual plans, adjustments in the plans, matters involving departures from the plan policies, advice to a central ministry in a matter to be placed before the cabinet, important cases involving disagreement with a central ministry or a state government or difference of opinion between two members of the commission, and any policy matter relating to the internal organization and methods of work."[77] Criticizing this development, an eminent economist in India writes, "Examination of events since 1955 shows that, barring the theoretical formulation, the Planning Commission has failed in almost every respect. . . . The reasons for this total failure are to be sought in rather special characteristics. . . . The root of the failure lies in the process by which the Planning Commission, essentially only an advisory body, has come to mix itself with the actual process of the formation of public policies even in matters other than of development."[78] The basic reasoning behind such a view is clear enough. The planning agency is looked upon as a body of technical experts whose main concern should be to render expert technical advice on development problems, leaving the responsibility of policy making which involves consideration of practical matters and difficulties to the executive departments. If this is not done, so runs the argument, the planning agency would get involved in work and considerations which are not strictly its concern with the result that its advice would tend to be vitiated by non-scientific considerations.

While there is an element of truth in the preceding argument, many considerations seem to go against it. First, in a developing economy, it is hardly possible to distinguish between developmental and non-developmental policies. Almost all the major economic and social policies of the government will have a vital bearing on the development of the country and therefore there would be a developmental aspect to be examined in each major policy case to be submitted to the cabinet. Second, if the advice of the planning agency is to be useful and practical, it should be intimately associated with all policy matters although its advice in each and every matter need not be sought. Third, the advice of the planning agency is not binding on the government department and, in case of a difference of views, the final decision will be given by the cabinet. But, even in such cases, the expression of different views by a government department and the planning agency should enable the cabinet to examine the case more thoroughly and objectively. For these and similar reasons, it can be maintained that the planning agency, if its advice is to be practical, useful and reliable, should be considered as an integral part of the government itself and that it should be freely consulted on all policy matters. Otherwise planning will tend to be done in a political and administrative vacuum and the government departments who have to bear the final responsibility will tend to ignore the advice or even neglect the existence of the planning agency.

In practice, it is extremely important to avoid the extremes of making the planning agency either a body of politicians and administrators hindering the work of the normal government departments or a body of planning experts tendering advice regardless of political and administrative needs and difficulties. To avoid these extremes, first the advisory character of the planning agency should be recognized and maintained. It should be the chief *staff* agency — the nerve centre of national thinking — on all matters of planning and development. Consistent with this position it should be obligatory on the government departments to obtain its advice in each policy case to be considered by the cabinet. But this advice should be confined to certifying whether the action proposed is consistent with the accepted plan or not and the planning agency should not be given any right of veto. Nor should it be charged with any executive functions such as industrial promotion, the operation of foreign assistance, or the regulation or control of industry, etc. If these precautions are taken and if a fair amount of restraint is observed by the planning agency in confining its advice to developmental aspects wholly for the sake of trying to ensure consistency, it is very likely that it will succeed in maintaining its technical character without necessarily losing its grasp of practical implications.

STATUS AND ORGANIZATION

In order to give planning the importance it deserves, the planning agency should be a separate body independent of the normal government departments and should have a status only subordinate to that of the cabinet or the chief executive. Such independent existence is essential for enabling the agency to take an objective and comprehensive view of the developmental and other economic problems referred to it. There are many over-all aspects of planning which cannot be assigned to any one ministry or department and which are best dealt with by an agency separate from the normal government departments. Again, planning affects the work of several central government departments, local governments and the private sector. The planning agency dealing with them, therefore, is best located outside the normal government departments. In some countries of the region (*e.g.* Burma, Ceylon and the Federation of Malaya), the planning agency constitutes a part of the Prime Minister's office or secretariat. This certainly helps the planning agency to take an objective, independent and comprehensive view; but the arrangement has the drawback that, being only one among the various divisions or sections of that office, it will not receive the full attention of the Prime Minister or of the chief secretary which it fully deserves. One of the essential duties of the planning agency is to secure co-ordination both at the planning and execution stages with a view to keeping inconsistencies to the minimum and to adjusting the plan so as to make it consistent with new developments. This involves daily working relationships and calls for staff work and direct lines of contact with the executive departments and agencies. Hence the results are "best achieved when the agency responsible for it is headed by a full-time official."[79] While, therefore, the practice of locating the planning agency in the Prime Minister's office may be found convenient in certain circumstances, on the whole a separate existence and a full-time official at the head are likely to be more conducive to the discharge of the duties normally assigned to the planning agency. The practice of locating the planning agency in some other government department (*e.g.* in the ministry of finance as is done in Singapore) can prove detrimental to its work and importance. For notwithstanding any constitutional or administrative safeguards, in actual day-to-day work, the line of policy favoured by the secretary of the department and his scheme of priorities will begin to influence the thinking and work of the planning agency, so that gradually its capacity to take an objective, independent and a comprehensive view of the matters will begin to suffer. To avoid these pitfalls and shortcomings, the planning agency should be an independent body, preferably located in a separate Ministry of Planning. It would also be desirable to have a full-time minister in charge of it, who can devote most of his time to planning work and represent the planning agency in the cabinet and the parliament.

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[77] P.P. Agarwal, "The Planning Commission" in *The Indian Journal of Public Administration*, (Vol.III, 1957), pages 336,337.

[78] D.R. Gadgil, *Indian Planning and the Planning Commission*, Ahmedabad, Harold Laski Institute of Political Science, 1958), p.26.

Several devices can be adopted to ensure a high status and adequate authority for the planning agency. For example, it is felt by some that the planning agency should be established by law. "Since planning and economic development involve the allocation and use of scarce resources, they usually result in political pressures from various groups which seek to maintain or increase their economic advantages. Establishment of the development organization by law offers some protection against selfish political pressures."[80] Some countries in the region (*e.g.* Afghanistan, Iran and Thailand) have passed laws to establish their planning agencies. But by and large, the planning agencies in the region have been established by a resolution or an order of the government. No special inherent advantages can be claimed for one course or the other. Of course it is essential to provide stable existence for the planning agency and to ensure its freedom from political pressure groups. But whether this can be surely and automatically provided by passing an enactment is a moot point. What is indispensable for the successful functioning of a plan and of the planning agency is the existence of a strong and stable government headed by a broad-based leadership capable of securing a broad agreement and support for planning in all sections of the society. If these conditions are fulfilled, even a planning agency created by a government resolution or order will be able to establish its authority. On the contrary, in the absence of a stable government and sound leadership, it is doubtful whether even the establishment of the planning agency by law will help it much to acquire a high authority and status commensurate with its tasks.

A practice widely followed in the countries of the region (*e.g.* Burma, Ceylon, the Federation of Malaya, India and Thailand) is that the Prime Minister is also the chairman or the chief of the planning agency. This practice is indeed useful in enhancing the prestige of the planning agency. But, since the Prime Minister is unable to devote much time to the detailed work of the agency, it is equally desirable that the top official or officials of the planning agency should be given a high status. Another variant of this practice — currently followed in the Federation of Malaya and in Ceylon — is to constitute a sub-committee of the cabinet to carry out the functions of a planning agency. While this method has the advantage of conferring a high status on the planning body, it is obvious that the ministers forming the committee will not be able to devote as much time and constant attention to it as fulltime top officials can do.

The members of the Planning Commission in India are given a status equal to that of the ministers but without the cabinet rank. Although these members are paid officials of the Government and do not participate in the work of the cabinet or the parliament like the elected ministers, the high status conferred on them gives weight to the recommendations, especially in a number of individual cases on which the opinion of the Commission as a whole is not generally sought. Because of the high status of the members, their advice or recommendations cannot be easily set aside by officials lower than the minister and this fact itself ensures very serious consideration in the ministry. For, in the event of disagreement between the member and the minister, it would be necessary to refer the case to the cabinet and this process itself forces the department to re-examine its position thoroughly before deciding to go to that extreme. Although administrative and government systems are not the same in all the countries of the region, the introduction of this method of conferring a high status on the members of the planning agency, where possible, may prove beneficial in bringing about harmony between the outlook and policies of the planning agency and the executive departments.

The views and policies recommended by the planning agency must be broadly representative of the feelings and ambitions of the people at large. This is true especially in democratic societies where careful steps have to be taken to avoid wide differences between the planning agencies and the elected government. For this, the top members of the planning agency should be chosen both from within and from outside the government so as to secure best talent available in the country. They should be men of long experience, sound judgement and wide practical knowledge and they should be drawn from all walks of life so that their combined views will represent broad agreement among the various interests of the community. In the Philippines, three members of the National Economic Council are appointed from the private sector. These are not paid officials of the Government, but they attend all the meetings of the Council and receive daily allowances during that period. Associating eminent people with the various economic activities can be useful in evolving a broad-based outlook for the planning agency. The same end can be achieved by appointing consultative committees at which representatives from public life can be invited to discuss the proposals of the planning agency. Some of the methods of associating the general public with the planning process in order to ensure that public opinion is duly reflected in the plans are discussed at a later stage.[81]

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[79] Stone D.C. *National Organization for the Conduct of Economic Development Programmes,* (International Institute for Administrative Sciences, Brussels, 1954), page 48.

[80] Stone D.C., *op.cit.,* page 46.

In developing the economies of the countries of the region, agriculture, industry, transport, power, foreign trade and foreign assistance are of crucial importance and there should be at least one member in charge of each of these subjects. In addition, to make the work and advice of the planning agency practically useful, it is desirable for it to have close association with the finance and defence departments. Close association with the defence department is, indeed, essential because the strategic requirements of the country will fundamentally determine the over-all magnitude of the economic effort as well as the choice of individual projects. Close association with the finance department is equally necessary because, without it, the task of translating plan provisions into the annual budget will be rendered extremely difficult.[82] This can be done either by making the ministers in charge of these portfolios ex-officio members of the agency or by making their presence and participation obligatory in all the meetings and important deliberations held by the planning agency. One advantage of the latter procedure is that the ministers not being members of the agency will be free from assuming any direct responsibility for the internal work of the planning agency and be able to give their full attention to the more important planning matters. With the former procedure, this responsibility is difficult to avoid and it may give rise to some anomalies in the distribution of work.[83]

Apart from the association of the defence and finance ministries, it is equally desirable to have a close association between the planning agency and other departments of the government, especially those in charge of agriculture, transport, industry and the like. This close association can be secured in two ways: (*i*) Regular and frequent meetings at the officer's level can be arranged in which the officers from the departments concerned can be invited to participate. (*ii*) There can be a two-way exchange of officers between the planning agency and the departments. These two are not alternate methods and both can be used simultaneously.[84] The exchanges of views and personnel provided by them can do a lot towards harmonizing the views and work of the planning agency and the various departments of the government.

It is essential to round off this discussion by emphasizing that, amidst the various methods and procedures for securing a broad agreement among the various elements and points of view and for making the work of the planning agency as close to the practical work of the departments as possible, the chief character and bias of the planning agency's work should not be lost sight of. The planning agency should remain essentially an advisory body exercising a constant concern to formulate and stress the observance of a long-term and consistent economic development policy. For this reason, the planning experts will have a substantial and significant role to play in its work which will inevitably have a strong economic bias. If this distinct character is not maintained, the agency may soon degenerate into an ordinary department of the government and lose both its identity and its unique status.

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[81] See pages 38-39.

[82] "A striking and consistent omission from its [The National Economic Council in the Philippines] membership has been a representative from the Budget Commissioner's Office, and apparently the Council has never sought nor exercised any systematic influence on the preparation of the annual budget. Whether under such a condition the Council could do an effective job of economic planning is a question which, because of the presence of other circumstances, has not been put to test." Amos H. Hawley, L.C. Mariano and H.B. Jacobini, "National Planning Administration" in *Public Administration in the Philippines,* (Manila, Institute of Public Administration, 1955), page 268.

[83] For example, in India, the Defence Minister, who is an ex-officio member of the Planning Commission, is in charge of work relating to "international trade and development".

[84] For organization of planning work in the executive departments mostly concerned with development work see pages 37-38. A regular exchange of officers in the planning units of the executive departments and the planning commissions may contribute a great deal in introducing new blood and fresh thinking especially among the technical staff of the planning agency where it is most necessary.

VII. PLANNING WORK IN GOVERNMENT DEPARTMENTS

The work of implementing the provisions of the plan will mainly devolve on the various executive departments of the government. This work will be of three different kinds. First, the departments will be required to undertake a lot of additional work involving control and regulation of the projects in the private sector. Second, they will be required to assume responsibility for executing the projects belonging to the public sector. Third, they will have to review the situation periodically with a view to watching progress and maintaining consistency with the general framework and the plan provisions.

The first type of work will have to be done directly by the department concerned. Its main responsibilities will be to frame appropriate controls and regulations and to maintain an up-to-date account of the progress being achieved. While this may involve a lot of routine administrative work which does not require any technical or expert knowledge, such assistance will be indispensable in framing correct policies and evolving suitable controls and regulations. Suitable provision will have, therefore, to be made for carrying out such technical work.

As regards implementation of the projects in the public sector, a lot of technical and administrative work will be involved and in most cases it will be done away from the department itself. Each project will be a unit in itself and, from the point of view of good management, the best course will be to establish autonomous corporations to run each project on strict commercial lines. The responsibility of the department should be, as in the case of private sector, that of maintaining constant vigilance over the progress of these projects and of taking steps to correct the situation where necessary.

The third type of work is to appraise the progress made in respect of the projects both in the private and the public sector, and to decide upon the adjustments required in the original plan proposals. A narrow departmental outlook is quite inadequate for this type of work which is different from the previous two. Here the need for adopting a comprehensive outlook in evaluating the progress from the point of view of the plan as a whole is of paramount importance. In such an appraisal it will be an essential duty of the department to help the planning agency to prepare the next annual plan and to make adjustments in the short-term plan as and when necessary. The type of knowledge and experience required will be essentially the same as for the work to be done in connexion with framing policies. For discharging all this essentially technical work, it will be advantageous to establish planning units manned by suitably trained personnel with an adequate professional background in the economic and statistical fields. These units should not only be responsible for the economic advice and work required by the department but should also provide adequate liaison between the central planning agency and the work of the departments. It would then be their responsibility to inculcate the long-term policy considerations in all the day-to-day work of the department on the one hand, and to inform the planning agency of the changes and adjustments required in their outlook and thinking on the other.

VIII. ORGANIZATION FOR SECURING PUBLIC CO-OPERATION

In democratic countries, the success of a plan depends entirely upon the support it gets from the people. The democratic governments have, therefore, to take special steps to associate the public with the formulation and implementation of the plan at various stages. The association of the public with the planning effort can be of different kinds, some of which are discussed below.

Planning requires considerable expert work and many universities or research institutes might be already doing useful work of this kind. Not only should the existing knowledge and work achievements of these bodies be utilized, but also they should be encouraged to do more and more of such work. A lot of original research work is required in deciding upon the basic relationships; so the government and the planning agency should assign such work to private or semi-government institutes and encourage them to participate indirectly in the planning. The experts engaged in doing such specialized work can also be consulted by the planning agency, either through meetings of consultative bodies to be established for that purpose or by contracting for their services for short periods during which they will guide or conduct specific research work. This kind of association of experts would be extremely helpful in injecting new thinking among the permanent professional staff of the planning agency, who might otherwise stand in the danger of becoming stagnant.

The experience and knowledge available in the private sector can be utilized both in the formulation and implementation of the plan. For example, advisory committees or councils for each department and industry comprised of the representatives of the chambers of commerce and industry and of farmers' associations or other producers' organizations can be constituted in order to obtain practical suggestions and advice on many matters of implementation as well as of policy. Regular meetings of such bodies would also help in acquainting the public with developments and with government intentions, thereby contributing a great deal towards the creation of informed public opinion. Apart from current problems, representatives from such bodies could also be consulted through meetings during the formulation of the plan. Such exchanges of views would be extremely helpful in deciding broad magnitudes, especially when adequate basic data for determining them are not available. They can also be useful in ascertaining the trends in public opinion as to what tempo of economic development can be reasonably expected to take place, and in gauging the general attitude of the public towards planned effort.

The task of creating enthusiasm and securing the support of the general public for planning is very difficult to perform, especially in the initial stages. The results of many big projects can be realized but slowly and in such cases, evidence of concrete achievement is not readily available. Again, although incomes may be rising, consumption canot be allowed to rise in the same way and the government's efforts to keep it at low levels by additional taxation or by forced saving may create hostile feelings among the population. Moreover, development projects cannot be undertaken simultaneously in all the different regions of a country. People in the regions without any significant development projects not only feel unenthusiastic about the plan, but develop feelings of jealousy and opposition toward the regions in which development projects are being undertaken. If such feelings and opposition get strong they can delay the process of planning and even endanger the very existence of planned development. For these and similar reasons, the governments have to make a sustained, conscientious and all-out effort in educating the public to make them plan-minded and to associate them with the planning process as much as possible.

Wide publicity of the plan through all available means is the first requisite for making people aware of the plan. Unfortunately, many countries of the region seem to fight shy of such publicity. In some cases, the plan is considered a secret document and the text of the plan is never released to the public. In others, only a limited number of copies are available. Instances of countries attempting to give wide publicity to their plans are but few. Further, most of the plan texts are in languages which the ordinary people do not speak or understand. In such circumstances the public can never be blamed for their apathy toward planning. To remove this apathy, the governments of the region should take prompt care to publish their plans in a popular form and on an extensive scale.

The publication of the plan should be followed by active propaganda through all the available means which is designed to make people more fully aware of the plan.[85] Special brochures written in simple local languages and brought out in an attractive style should be made available to the public. The local press should be encouraged and induced to write upon the plan. Lectures and seminars should be arranged through educational institutions to stimulate interest and constructive criticism. Radio and documentary films should also be used for informing the people of the different aspects and implications of the plan. The purpose of such publicity should not be to trumpet the achievements of the government in power, but to create a feeling and consciousness among the people that the developments taking place are the result of a deliberate plan and that they will be speeded up and will prove much more beneficial to them if they actively support the plan and participate in the schemes enthusiastically.

Such publicity, however, will not be sufficient to achieve its purpose unless it is followed by a concrete scheme to associate the people in some way or the other with the very process of formulating the plan proposals. One way of doing this is to form small district or county committees of the people whose main function is to suggest schemes for the development of their own area and to review the progress, in a general way, of the schemes already under implementation. Quarterly or semi-annual meetings of such committees would go a long way towards creating interest among the people and inculcating a sense of responsibility among them. If such committees were asked to make suggestions for new development schemes, these suggestions would be very useful in revealing the most urgently felt needs of the people, and they could be taken into consideration by the central planning agency while formulating their own plan proposals. It is likely that such suggestions may turn out to be far in excess of the available resources or that they may be completely outside the general framework of the plan. But that would be no cause for despair. In order to make the local suggestions more realistic and practicable, the committees may be given a broad indication of the financial resources that may be available for their area, if not in the exact amount at least in terms of increase in the existing expenditure. This would introduce a sense of realism in the thinking of these committees and their suggestions would provide a much better index to the needs of the people. Even then the suggestions received may not be relevant to the general framework, but this defect can be slowly eliminated as the people become more keenly aware of the aims and objects of planning and get acquainted with its processes. In any case, if a determined and continuous effort is made to educate and associate the people with the planning process, they will get increasingly interested and there is no reason to disbelieve that wide support and enthusiastic participation will be forthcoming from them.

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[85] In this connexion mention may be made of the useful work that has been done by the Bureau of National Reconstruction in Pakistan in giving the Second Five-Year Plan wide publicity and in organizing the Economic Conference on the Second Five-Year Plan. In India also wide publicity is given to its five-year plans throughout the country in a variety of ways.

Appendix I

PLANNING ORGANIZATIONS IN THE COUNTRIES OF THE ECAFE REGION

Introduction

The object of this appendix is to present factual data about planning organizations in the countries of the region. It is given in the form of country notes which include brief information about the main planning organizations, their functions and, where possible, organizational charts showing the administrative structure. In view of incompleteness of the country data at the time of the writing, it has not been possible to include notes on all countries of the ECAFE region or to achieve uniform presentation in respect of the countries for which information has been given.

Afghanistan

The Ministry of Planning was founded in October 1956, shortly after the inauguration of the Five-Year Development Plan. The Ministry started functioning in March 1957 and is responsible for the formulation and revision of economic development plans, providing economic guide lines to be followed by the ministries and departments in preparing and implementing sector plans, following closely the implementation of the plans and keeping them under continuous review.

The Ministry consists of four departments: (*i*) The Department of Planning; (*ii*) The Department of Foreign Assistance; (*iii*) The Department of Statistics and Research; and (*iv*) The Department of Administration. The main functions of these departments are as follows:—

Planning:

This department has the primary responsibility for the formulation and revision of development plans. For this purpose it is required to provide economic guide lines to be followed in the preparation of programmes and projects and criteria for the establishment of priorities. The department has the primary responsibility for co-ordinating the sector plans.

Foreign assistance:

This department's main function is to co-ordinate all requests for foreign assistance.

Statistics and research:

The chief work of this department is to develop background information on the economy of Afghanistan and other countries which is required for the formulation of development plans. Its duties include: (*a*) organization and co-ordination of statistical services; studies of national income, investment and balance of payments; and publication of statistical and economic material.

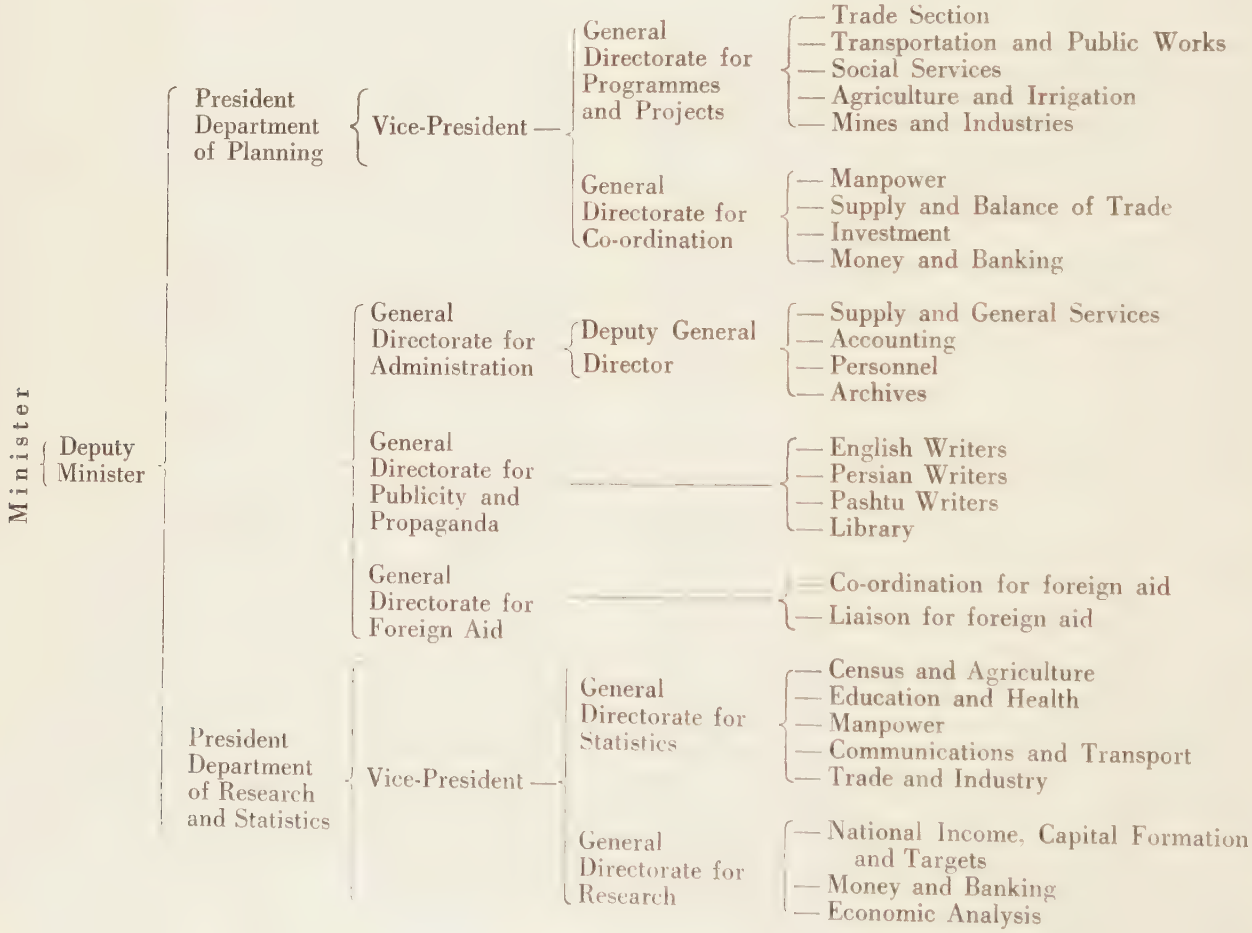
Administration:

To carry on the administrative services required by the Ministry of Planning.

In addition to these departments, the Ministry has an Advisory Board consisting of Afghan and foreign experts appointed to serve as consultants to the Ministry. Its main function is to advise the Ministry on all matters submitted to it.

It is felt that some reorganization of the Ministry is called for in view of the Second Plan due to start in October 1961 which will require much more intensive effort than the first in its drafting and execution. Some proposals for re-organizing the Ministry with a view to streamlining its performance are under the consideration of the Government of Afghanistan. Details of the reorganization, however, do not seem to have been yet made final.

A chart showing the organization of the Ministry of Planning follows:—


Minister
Deputy Minister
President Department of Planning
Vice-President
General Directorate for Programmes and Projects
Trade Section
Transportation and Public Works
Social Services
Agriculture and Irrigation
Mines and Industries
General Directorate for Co-ordination
Manpower
Supply and Balance of Trade
Investment
Money and Banking
General Directorate for Administration
Deputy General Director
Supply and General Services
Accounting
Personnel
Archives
General Directorate for Publicity and Propaganda
English Writers
Persian Writers
Pashtu Writers
Library
General Directorate for Foreign Aid
Co-ordination for foreign aid
Liaison for foreign aid
President Department of Research and Statistics
Vice-President
General Directorate for Statistics
Census and Agriculture
Education and Health
Manpower
Communications and Transport
Trade and Industry
General Directorate for Research
National Income, Capital Formation and Targets
Money and Banking
Economic Analysis

BURMA[86]

The Constitution of the Union of Burma provides that "the economic life of the Union shall be planned" and accordingly some planning machinery has been in existence in Burma since 1946. This machinery has been changed and revised several times; the following description is based upon the reorganization carried out in 1958.

The Ministry of National Planning and the Economic and Social Board were amalgamated into a Prime Minister's Office for National Planning in February 1958. The Office was composed of a National Planning Commission and a service organization, the latter constituting a *de facto* ministry of the Prime Minister.

The Prime Minister's Office for National Planning performed the functions of a central planning authority and was the highest supervisory and co-ordinating body in the field of economic and technical development. It also tendered advice to the cabinet on broad issues of development policy.

The National Planning Commission mainly consisted of the Prime Minister (Chairman), Deputy Prime Minister and Ministers. Other members include the Parliamentary Secretary, Adviser to the Prime Minister, Chairman of the Union Bank of Burma and Executive Secretary to the Commission. The Commission was assisted by a Committee of Advisers whose functions were: (*a*) to process technical papers submitted to the Commission; (*b*) to make recommendations on matters appropriate to the Commission and to advise and assist the Commission generally in the discharge of its duties.[87]

There was also a Standing Committee for supervision and co-ordination comprised of the Prime Minister's Secretaries for planning and the Council of Ministers, the Chairman of the Special Investigation Administration Board, Secretary of the Ministry of Finance and Revenue, Chairman of the State Agricultural Marketing Board and Adviser to the Prime Minister. The duties and functions of this Committee included (*a*) examination of the administration, working and acquisition of the various Boards, Corporations and Councils in charge of implementation of the projects; (*b*) supervision of the implementation of the development projects and their co-ordination.

Another government committee which could be considered as part of the planning machinery was the Budget Committee whose main work was to do the budget examination work for the Minister of Finance.

CEYLON

A Seven-member Planning Committee of the Cabinet, with Prime Minister and Finance Minister as Chairman and Vice-Chairman respectively, was established early in 1953. By the end of the year, however, the Committee was dissolved and the entire Cabinet became the supreme planning body.

In 1956, the need for planning and a suitable organization for doing the planning work was keenly felt. Accordingly, the National Planning Council was constituted in September 1956 to prepare a plan. The Council was composed of the Prime Minister, Finance Minister, senior government officials and representatives of the private sector. The Planning Secretariat was attached to the Council to assist it and carry on secretariat work. Since the preparation of the "Ten-Year Plan", the work of the Planning Council and its secretariat has mainly consisted of annually formulating three-year implementation programmes. This is done through appropriate implementation committees drawn from the Council, government departments and agencies concerned, as well as *ad hoc* representation from the private sector. In addition, a "Planning Committee" has been set up in each ministry with the responsibility of formulating effective short-term programmes; these are on a rolling basis which will in effect be a substitute to Ceylon's present procedures for preparing budgets.

Towards the end of 1960, the Planning Secretariat was redesignated as the Department of National Planning. Also, in place of the National Planning Council, a sub-committee of the Cabinet has been set up to look after planning work. The Department of National Planning as such, however, is headed by the Prime Minister.

CHINA (MAINLAND)[88]

At the centre, the two main bodies concerned with planning are: The State Planning Commission and the State Economic Commission. The Planning Commission was set up in 1952 and by 1956 had developed into 23 departments with a staff of 1,500. The Economic Commission was established in May 1956. The Planning Commission is in charge of preparing five-year plans while the annual plans are directed by the Economic Commission. There are frequent exchanges of directives and constant efforts at co-ordination between the two. The data required by these two Commissions are supplied by the State Statistical Bureau which was established in October, 1952. The central government departments, bureaux and other agencies in charge of nationalized enterprises form a group which is concerned with planning at the central level and which works under the two commissions.

The planning organs at the central government level are assisted by regional and local organs in charge of planning in the 22 provinces, two autonomous areas and several hundreds of municipalities. The planning bureau at the provincial level serves as the co-ordinating agency and presents the local plans to the central planning and economic commissions for evaluation and approval. All phases of planning in mainland China, including preparation, consolidation and revision are carried out through this two-tier system: the central planning and economic commissions on one level, and the planning organs in the regional administration or the ministries on the other.

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[86] Source: U Thet Tun, *Burma's Experience in Economic Planning*, (Superintendent, Government Printing and Stationery, Rangoon, 1960).

[87] When General Ne Win's Government came in power, the Commission was held in abeyance and it is not known whether it has been revived since. A Budgetary Allocation Committee was constituted to perform advisory functions and the Central Statistical and Economics Department served as staff to the Committee.

[88] Source: Chao Kuo-chun, *Economic Planning and Organization in Mainland China*, (Centre for East Asian Studies, Harvard University, 1959).

The procedure followed in preparing the plans may be briefly described as follows. The Chinese Communist Party and the People's Congress provide the guiding principles of planning, while the task of preparing the long-term and short-term plans in conformity with the guiding principles is performed by the State Planning Commission. For this the Commission obtains preliminary reports, estimates and data from the various agencies in charge of implementing the projects. These are considered in the light of varied data obtained from the Statistical Bureau; moreover, the Planning Commission passes "control figures" setting up the targets in various fields. These are passed on to the ministries, regional administrations and selected enterprises. The lower planning units draft their respective five-year plans taking into consideration the "control figures". Where necessary they present to the Commission requests, recommendations and proposals for revision. After examining these draft plans the State Planning Commission draws up formal plans for the respective units. The procedures followed in preparing the annual plans are much the same except that they are prepared in much more detail and that they are concerned with solving specific current problems.

CHINA (TAIWAN)

The Economic Stabilization Board established in July 1953 and entrusted to map out economic and fiscal policies and to formulate an over-all economic development plan was dissolved in August 1958. Now the work of economic development planning is the responsibility of the Ministry of Economic Affairs and the Ministry of Communications. At present the planning work is mostly carried by the three committees described below:

Agricultural Planning and Co-ordination Committee:

The membership of the committee consists of 11 to 15 persons drawn from various government departments and organizations the most significant of which is the Joint Commission on Rural Reconstruction which is primarily concerned with the preparation of agricultural plans. All the members are appointed by the Ministry of Economic Affairs. The committee is mainly concerned with the formulation and supervision of agricultural plans.

Industrial Planning and Co-ordination Group:

The policy-making body of the group is a council of members (13-17) drawn from various government departments including the Council of US Aid and nominated by the Ministry of Economic Affairs. The main function of the Committee is to prepare industrial plans and to supervise them.

Transportation and Communication Group:

The Group consists of 11-15 persons drawn from various government departments and nominated by the Ministry of Communications. This committee is responsible for the formulation and supervision of the transport and communication plans.

These three groups are primarily responsible for the formulation of plans in their respective fields and the final co-ordination and preparation of the over-all plan is the responsibility of the Ministry of Economic Affairs.

THE FEDERATION OF MALAYA

An "Economic Committee of the Cabinet" consisting of the Prime Minister (Chairman), Deputy Prime Minister and Ministers of finance, agriculture and co-operatives, and commerce and industry which is aided by the "Economic Secretariat" is in charge of planning in the Federation of Malaya. The Economic Secretariat is an integral part of the Prime Minister's Department.

At present the Economic Secretariat is small but, with increase in the volume of work consequent upon the adoption of the Second Five-Year Plan, the need for reorganization was keenly felt and a separate organization might be established with the following functions:

(*i*) To formulate and submit plans to the Economic Committee of the Cabinet.

(*ii*) To co-ordinate the execution of the diverse components of the plan.

(*iii*) To review and evaluate the progress of the plan.

(*iv*) To advise the government on general economic problems.

(*v*) To maintain all the economic intelligence necessary for the formulation and evaluation of the plan.

(*vi*) To plan and co-ordinate schemes for technical assistance.

The planning organization has four main divisions: The Planning and Investigation Division; (*ii*) The Economic Intelligence and Research Division; (*iii*) The Technical Assistance Division; and (*iv*) The Administrative and Common Services Division. The new planning organization is an integral part of the Prime Minister's Department.

INDIA

The Planning Commission was set up by the Government of India in March 1950. The functions of the Planning Commission are to:

(*i*) make an assessment of the material, capital and human resources of the country, including technical personnel, and to investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements;

(*ii*) formulate a Plan for the most effective and balanced utilisation of the country's resources;

(*iii*) define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage;

(*iv*) indicate the factors which are tending to retard economic development, and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan;

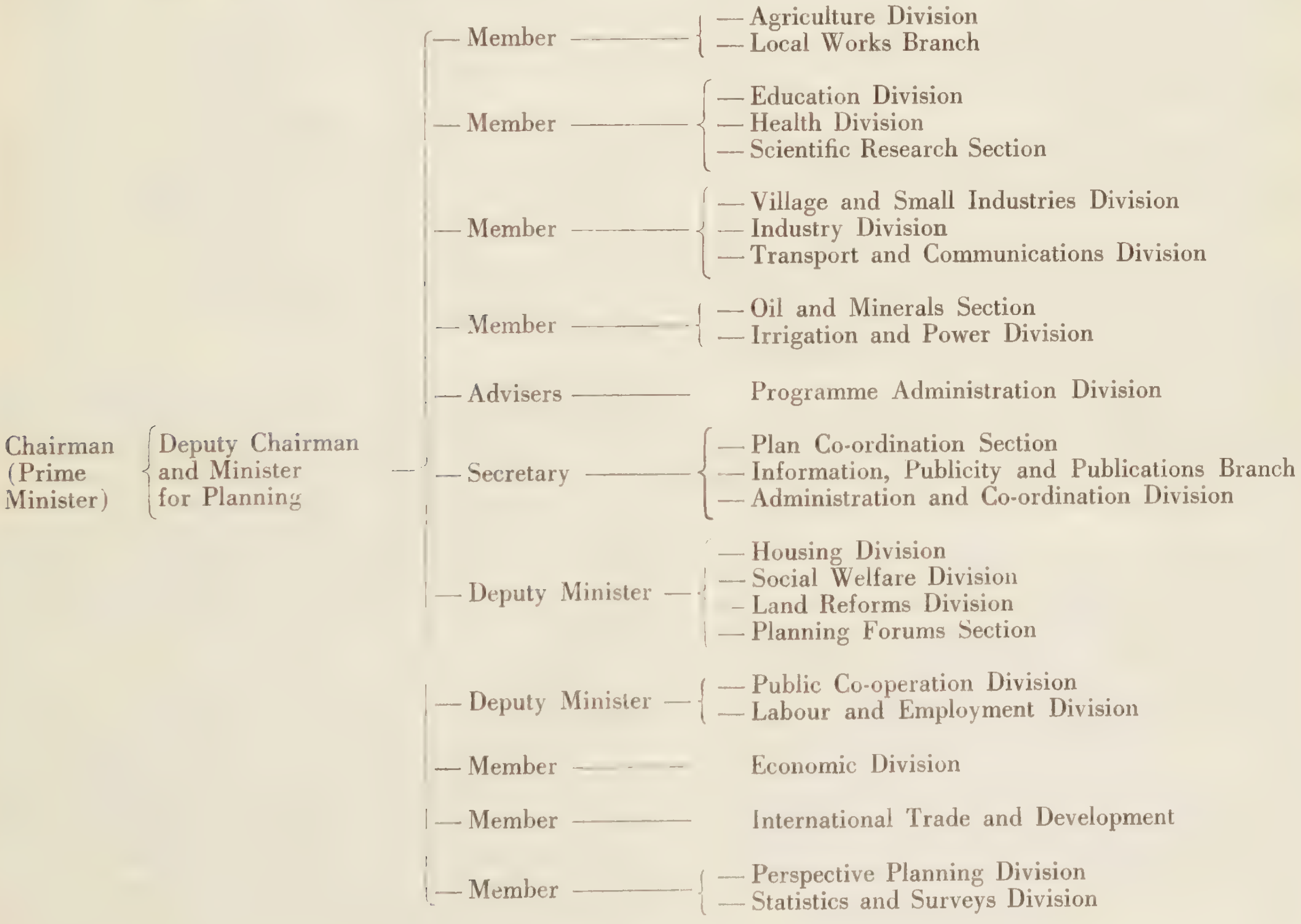
(*v*) determine the nature of the machinery which would be necessary for securing the successful implementation of each stage of the Plan in all its aspects;

(*vi*) appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal might show to be necessary; and

(*vii*) make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the duties assigned to it; or on a consideration of the prevailing economic conditions, current policies, measures and development programmes; or on an examination of such specific problems as may be referred to it for advice by Central or State Governments.

Since its inception, the Prime Minister of India has been the Chairman of the Planning Commission. Members of the Commission include a Deputy Chairman who is now also the Minister for Planning and four full-time Members, and the Union Ministers of Finance and Defence. The Honorary Statistical Adviser to the Cabinet also serves *de facto* as a Member of the Planning Commission. The Minister of Planning is assisted in his work in Parliament by a Deputy Minister and a Parliamentary Secretary. The Members of the Commission work as a body; but, for convenience, each member has charge of one or more subjects and directs the study of problems in these fields.

The Planning Commission works in the closest co-operation with the Central Ministries and the Governments of States. Responsibility for taking and implementing decisions rests with the Central and State Governments, the Planning Commission serving as an advisory body to both. Co-ordination with States is secured at the highest level through the National Development Council. The functions of the Council are:


Member
— Agriculture Division
— Local Works Branch
Member
— Education Division
— Health Division
— Scientific Research Section
Member
— Village and Small Industries Division
— Industry Division
— Transport and Communications Division
Member
— Oil and Minerals Section
— Irrigation and Power Division
Advisers
Programme Administration Division
Chairman (Prime Minister)
Deputy Chairman and Minister for Planning
Secretary
— Plan Co-ordination Section
— Information, Publicity and Publications Branch
— Administration and Co-ordination Division
Deputy Minister
— Housing Division
— Social Welfare Division
— Land Reforms Division
— Planning Forums Section
Deputy Minister
— Public Co-operation Division
— Labour and Employment Division
Member
Economic Division
Member
International Trade and Development
Member
— Perspective Planning Division
— Statistics and Surveys Division

(1) to review the working of the National plan from time to time; (2) to consider important questions of social and economic policy affecting national development; and (3) to recommend measures for the achievements of the aims and targets set out in the National Plan, including measures to secure the active participation and co-operation of the people, improve the efficiency of the administrative services, ensure the fullest development of the less advanced regions and sections of the community, and, through sacrifice borne equally by all citizens, build up resources for national development.

The National Development Council is composed of the Prime Minister of India, the Chief Ministers of all States and the Members of the Planning Commission; Ministers of the Central Government also participate in its deliberations. The Council makes its recommendations to the Central and State Governments who take such decisions as may be necessary.

A chart showing the organization of the Planning Commission is given on page 43. In addition to the divisions shown in the Chart, three committees — The Research Programmes Committee, The Committee on Plan Projects of the National Development Council and The Committee on Transport Policy and Co-ordination—and the Programmes Evaluation Organization also work under the direct jurisdiction of the Commission.

INDONESIA

The National Planning Council, the planning agency in Indonesia, was inaugurated in 1960. The membership of the Council is composed of "expert-representatives" from all regions, armed forces and functional groups. They have been nominated by the respective regions and/or groups concerned and appointed by the President.

The Council consists of 81 members, 25 per cent of whom are from the various regions and 75 per cent from the functional and other groups.

In order to perform its duties and functions efficiently and expeditiously, the National Planning Council has created an "Executive Board" consisting of 23 members. The Executive Board is entitled to submit its recommendation directly to the President who is the mandatory executor of the Plan.

The main functions of the Council are to formulate the plans, to supervise their execution, and to evaluate the progress from time to time. The Council is charged by law with the following functions:

1. assisting executive agencies,
2. surveying the execution and wherever necessary proposing corrections,
3. evaluation of the achievements,
4. assisting the President and the Cabinet in all matters of development,
5. collecting materials and data necessary for the drafting of the next short-term development plans,
6. preparing the long-term plan, the foundation of which will be laid during the present Plan.

The Council has a secretariat consisting of government servants. It has the following divisions:

1. Division for Manpower,
2. Division for Natural Resources,
3. Division for Finance, including foreign capital and aid,
4. Division for Agricultural Development and Industrialization,
5. Division for State and Private Undertakings Development,
6. Division for Rural Development,
7. Division for Population,
8. Division for Statistics.

IRAN

In 1949 Iran created an organization to administer the operation of the First Seven-Year Plan. The organization was in charge of the execution of the Plan and was more like a huge public works department. It was reconstituted at the beginning of the Second Seven-Year Plan and now consists of: (*a*) The Managing Director; (*b*) The High Council; and (*c*) The Control Board.

The Managing Direcor is appointed for a period of three years and his duties are (*i*) to prepare the administrative budget and to set up the organization of the Plan Organization; (*ii*) to formulate plans and to disburse expenditures connected with the executive operations; (*iii*) to assist private institutions; (*iv*) to draw up laws and regulations relating to the technical and fiscal controls for the execution of programmes; (*v*) to compile quarterly and annual progress reports; and (*vi*) to represent the Plan Organization before the Council of Ministers.

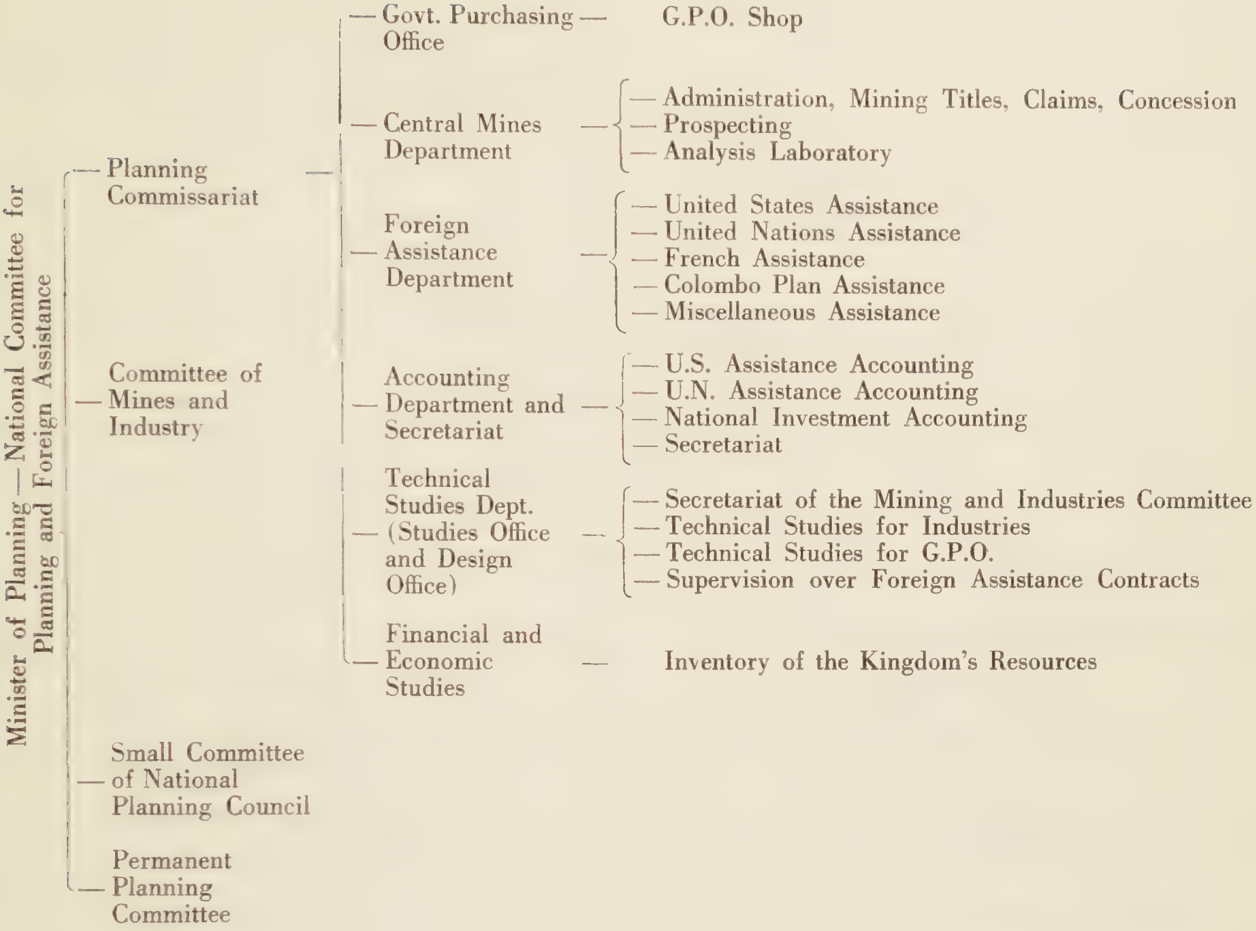
The High Council consists of seven members appointed for the full term of the plan. The duties of the High Council include the approval of plans, projects, cost estimates and the executive regulations of the programmes approved by the Joint Committee of both the Houses. The Council is also charged with the approval of regulations, by-laws and contracts and with the supervision of all the functions of the Plan Organization.

The Control Board consists of six members, its main functions are: (*i*) to control the expenditure of the Plan Organization in accordance with the provisions of the law; (*ii*) to express its views with respect to by-laws and regulations from the viewpoint of their compliance with laws and regulations; (*iii*) to inform the Managing Director of any violations or irregularities noticed by it and even to report on them to the Government and the Joint Plan Committee of both houses where necessary.

The set-up of the present Plan Organization is expected to undergo some changes at the time of launching the Third Seven-Year Plan. The major change may be the transfer of executive functions now assumed by the Plan Organization to the executive departments of the Government. But the Organization may retain the present functions of formulating plans, reviewing progress and disbursement of funds for the various projects.

LAOS

STRUCTURE OF THE PLANNING COMMISSARIAT


Minister of Planning — National Committee for Planning and Foreign Assistance
Planning Commissariat
Committee of Mines and Industry
Small Committee of National Planning Council
Permanent Planning Committee
Govt. Purchasing Office
G.P.O. Shop
Central Mines Department
Administration, Mining Titles, Claims, Concession
Prospecting
Analysis Laboratory
Foreign Assistance Department
United States Assistance
United Nations Assistance
French Assistance
Colombo Plan Assistance
Miscellaneous Assistance
Accounting Department and Secretariat
U.S. Assistance Accounting
U.N. Assistance Accounting
National Investment Accounting
Secretariat
Technical Studies Dept. (Studies Office and Design Office)
Secretariat of the Mining and Industries Committee
Technical Studies for Industries
Technical Studies for G.P.O.
Supervision over Foreign Assistance Contracts
Financial and Economic Studies
Inventory of the Kingdom's Resources

NEPAL

The planning machinery in Nepal was first created in October 1949, and has undergone several changes. The National Economic Planning Committee established in October 1949 was dissolved after a few months of its inception and no planning organization was in existence till the end of 1953 when a separate Ministry of Planning and Development was set up. The Ministry was to bring together the separate schemes undertaken by the various government departments and thus to expedite a co-ordinated execution of various development projects. In March 1957, a Planning Commission was set up but was dissolved in 1959 and in its place a high power Planning Board was formed. The Board was also abolished in February 1961 and its place has now been taken by the National Planning Council. It is vested with high powers and its decisions are equivalent to those of the Council of Ministers. The King who is the Chairman of the Council of Ministers also heads the National Planning Council. The chief functions of the Council are:

(*a*) to decide a policy of economic development on the basis of the general economic policy keeping in view the country's immediate needs;

(*b*) to frame practical development plans to raise the standard of living of the people;

(*c*) to give final approval to the proposed projects;

(*d*) to expedite the successful execution of the plan;

(*e*) to evaluate the plan and its progress; and

(*f*) to finalize the annual budget and make allocations of the country's resources and foreign aid.

The Planning Council keeps in touch with the executive departments of the government through the members of the "planning cells". These cells are constituted in each ministry and usually consist of the under-secretaries or other representatives nominated by the ministry. They are attached to the secretariat of the Planning Council and their main functions are:

(*i*) To prepare departmental plans in consultation with the Planning Council.

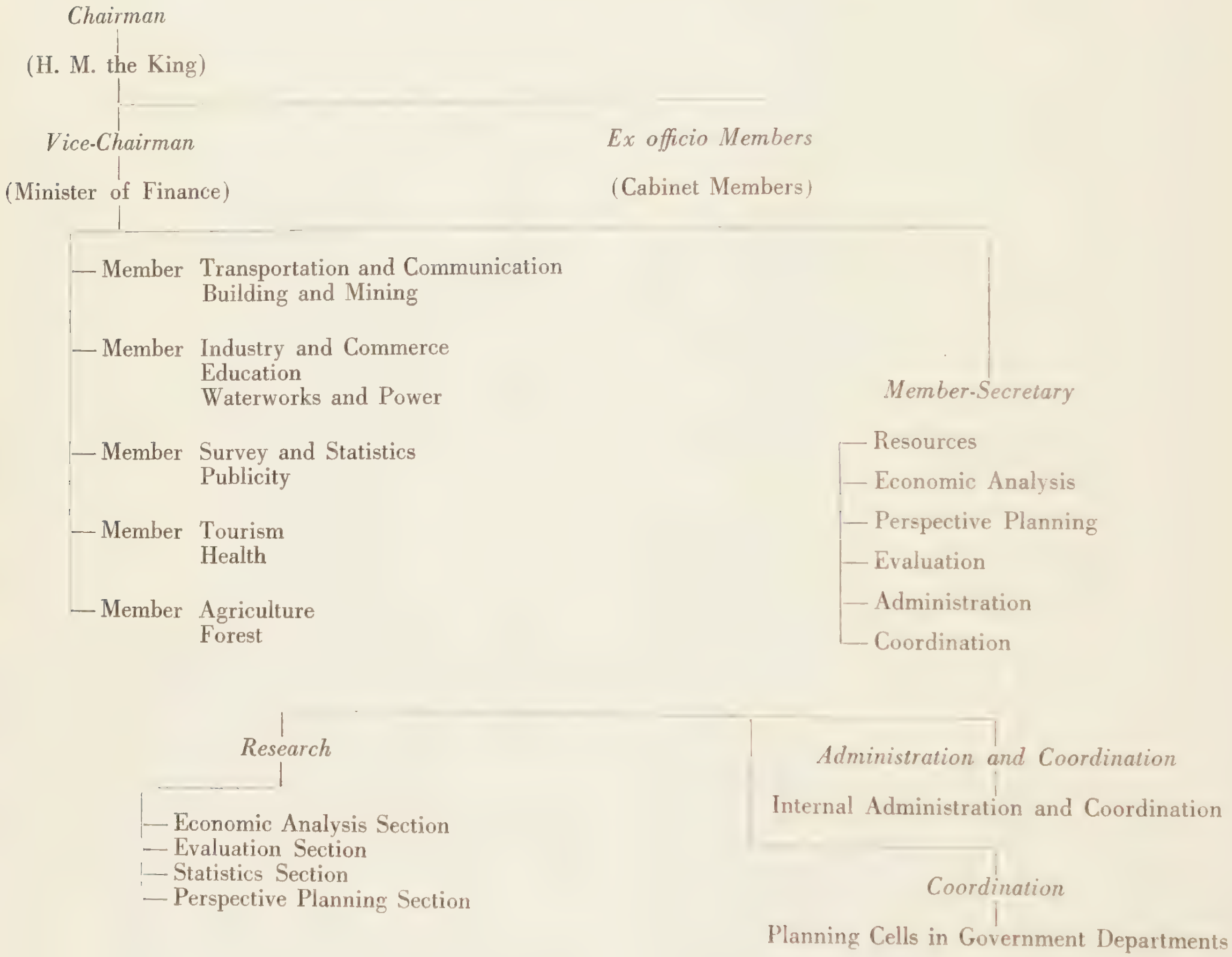
(*ii*) To submit progress reports periodically.

(*iii*) To act as liaison between the Planning Council and the Ministry concerned.

The Department of Economic Affairs which is located in the Ministry of Finance assists the secretariat of the Planning Council in economic research.

A chart showing the organization of His Majesty's Council of National Planning is given below:

HIS MAJESTY'S COUNCIL OF NATIONAL PLANNING



PAKISTAN

In 1953, the Government of Pakistan established a Planning Board to prepare a five-year plan of economic and social development. After the preparation and submission of the plan, a permanent Planning Board was established in 1957 and it was redesignated as the National Planning Board in July 1958. Later, in June 1959, it was redesignated as the Planning Commission. The functions of the Planning Commission are:

(*i*) In consultation with the Central and Provincial Governments and other appropriate agencies:

(*a*) to prepare a national plan at periodic intervals for the economic and social development of the country;

(*b*) to make assessments from time to time of the human and material resources of the country;

(*c*) to prepare an annual development programme within the framework of the national plan and, on a determination of priorities, to propose the allocation of resources.

(*ii*) To stimulate and where necessary initiate the preparation of development programmes and projects; to examine and advise on all such programmes and projects with a view to deciding whether these conform to national objectives and, in general, whether these contemplate the most efficient use of national resources.

(*iii*) To recommend such adjustments in the national plan as may be necessary in view of the changing economic situation.

(*iv*) To co-ordinate the examination of development programmes and projects in consultation with the appropriate authorities and to secure the approval of the Central Government for acceptable programmes and projects.

(*v*) To advise on the nature of the machinery for securing the efficient execution of the national plan.

(*vi*) To watch and evaluate the progress of implementation of the development programme.

(*vii*) To advise on important economic policies and problems in various fields.

(*viii*) To undertake and promote economic research; and to initiate surveys and investigations needed to support effective planning and development.

(*ix*) To examine such specific problems as may be referred to it by the Government.

In addition to the Planning Commission, there is an Economic Council with the President as Chairman which functions as the supreme economic body of the country. Besides the Chairman, there are seven members and four co-opted members of the Council. The functions of the Council are:

(*i*) to review the over-all economic position of the country and to formulate economic policies;

(*ii*) to approve the Five-Year Plan and the Annual Development Programme;

(*iii*) to sanction development schemes including those falling under the Five-Year Plan and the Annual Development Programme; and

(*iv*) to review the progress made in the implementation of the plans and programmes mentioned above and to ensure that balanced economic development of all parts of the country is achieved.

There is also an Economic Committee of the Cabinet with the Minister of Finance as the Chairman and with the Ministers for Food and Agriculture, Fuel, Power, and Natural Resources, Industries and Commerce together with the Chairman of the Planning Commission as members. The functions of the Committee are:—

(*i*) to supervise the implementation of:

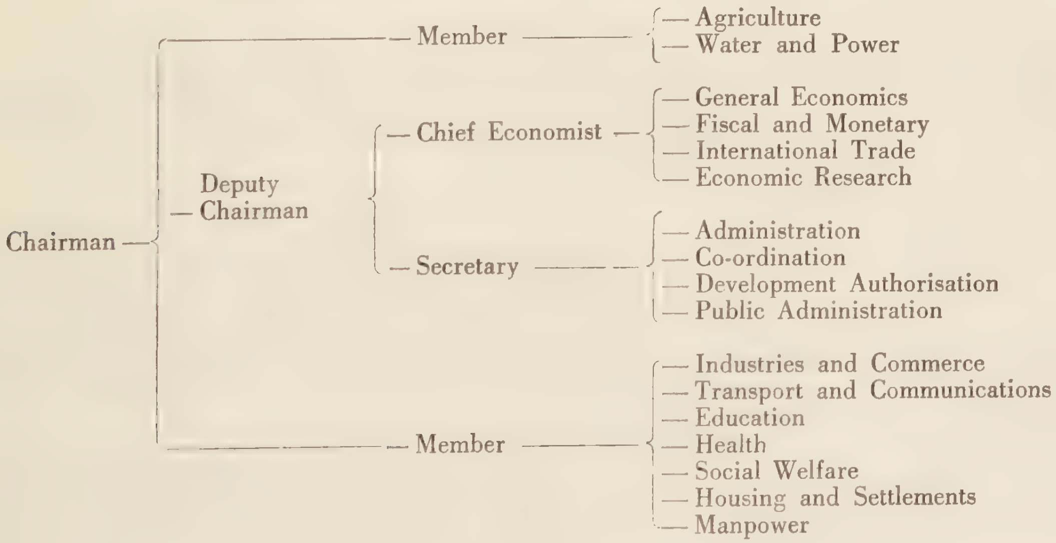
(*a*) the economic policies laid down by the Cabinet and the Economic Council, and

(*b*) all plans and programmes, including the Five-Year Plan and the Annual Development Programme.

(*ii*) to take day-to-day decisions on economic problems; and

(*iii*) to sanction development schemes pending their submission to the Economic Council.

A chart showing the organization of the Planning Commission is given below:



THE PHILIPPINES

The Philippines is committed to a positive programme of economic and social development under its constitution which stipulates that "the promotion of social justice to insure the well-being and economic security of all the people should be the concern of the State." Accordingly, a National Economic Council was created as early as 1935. Twenty years later this Council was abolished and in its place a new National Economic Council was created, with the specific function, among others, of formulating "definite and consistent national economic policies and preparing comprehensive economic and social development programmes." The Council establishes and maintains an Office of National Planning, an Office of Foreign Aid Co-ordination and an Office of Statistical Co-ordination and Standards. The Office of the National Planning provides the main technical assistance to the Council in the preparation of national plans. Its main functions are:

(*a*) To assist the Council in preparing and keeping current a national plan for economic and social development.

(*b*) To report to the Council on implementation of action recommendations included in the national plan.

(*c*) To make continuing studies of the tariff structure and commercial relationships of the Philippines with other countries and to recommend changes if needed.

(*d*) To prepare national economic policy recommendations on matters referred to the Council for advice.

The National Economic Council consists of 10 members plus a full-time chairman with cabinet rank. The Chairman and three members drawn from agricultural, industrial, financial, commercial and labour interests are appointed by the President. The rest of the members are *ex-officio* and are as follows: the Chairman of the National Development Authority as Vice-Chairman; two members designated by the Speaker of the House of Representatives from among the members of the House; two members of the Senate designated by the President; the Governor of the Central Bank; and the Chairman of the Rehabilitation Finance Corporation.

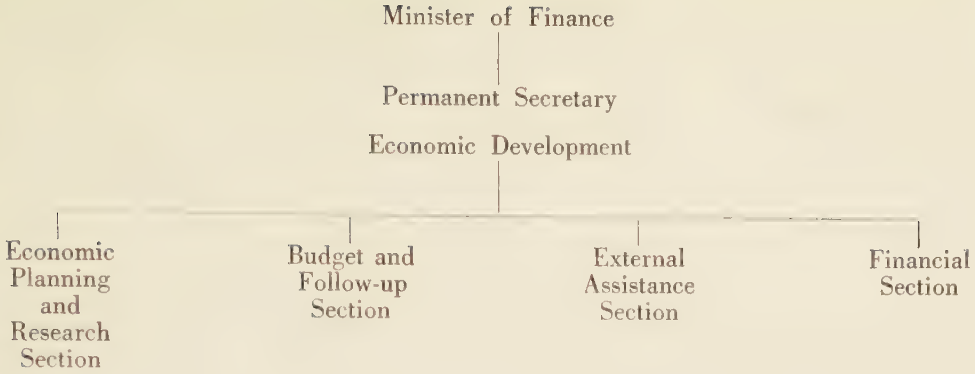
The organizational chart of the Office of National Planning is given below:

- National Economic Council (Chairman and 10 members)
  - Office of the Chairman
    - Office of National Planning
      - Agricultural Resources
      - Finance
      - Industrial Resources
      - Services (Utilities)
      - Trade and Commerce
      - Social Development
    - Office of Statistical Co-ordination and Standards
      - Planning and Co-ordination
      - Standards and Review
    - Office of Foreign Aid and Co-ordination
      - Co-ordination of Programme Planning
      - Co-ordination of Programme Execution

SINGAPORE

The Government of Singapore established an Economic Development Division in 1959. This division, located in the Ministry of Finance, is mainly concerned with the planning work and has all the necessary advisory, co-ordinating and executive functions. Besides this Division, the Development Planning Committee and the Development Planning Sub-committee are also concerned with the co-ordination work. The Development Planning Committee is headed by the Minister of Finance and the Sub-committee by the Director of Public Works. A Sub-committee of the Cabinet consisting of Prime Minister, Deputy Prime Minister and the Minister of Finance, is in over-all charge of the economic and planning work.

The organization of the Economic Development Division which is the chief planning agency is still in the process of evolution, but now has the following structure:


Minister of Finance
Permanent Secretary
Economic Development
Economic Planning and Research Section
Budget and Follow-up Section
External Assistance Section
Financial Section

THAILAND

The National Economic Development Board which is the principal planning agency in Thailand was established in 1959 by a special Act. The Board consists of the Prime Minister (Chairman), the Deputy Prime Minister (Deputy Chairman) and other members appointed by the Council of Ministers with the Secretary-General as *ex-officio* member and secretary. The Secretariat attached to the Board has been assigned the following functions:

1) to analyse and appraise economic conditions and recommend to the Board goals for economic development and policies conducive to economic stability and economic development;

2) to consider with Ministries, Departments and State enterprises their plans and programmes for economic development and to co-ordinate such plans and programmes for the purpose of formulating an integrated plan for a period of years in accordance with development goals, availability and priority use of resources; and thereafter to submit it to the Board.

3) to study the actual and potential availability of financial and other resources and to make recommendations to the Board on ways and means of meeting public financial requirements;

4) to prepare, in consultation with those of the Government's ministries and departments which have responsibilities regarding the National Budget, proposals of Ministries, Departments and State Enterprises for the annual development expenditures on new capital assets, including sums to be expended for this purpose from the National Budget, from loans, from accumulated profits, or other funds;

5) to review actual and proposed expenditures for maintaining capital assets related to economic development for the purpose of recommending any necessary modification for the efficient maintenance of such assets;

6) to review actual and proposed expenditures for the provision of economic services, for the purpose of recommending any modification that is deemed necessary;

7) to consider all proposals for foreign technical and financial aids and loans; to consider additional requests for, and make recommendations on programmes for the request of, foreign aid and loans; and, in co-operation with Ministries, Departments and State Enterprises, to undertake necessary measures for co-ordinating foreign assistance; moreover, in making such requests for foreign aid, the Secretariat of the National Development Board may originate such additional aid proposals as may be deemed necessary.

8) to review and report on the status of economic development projects of Ministries, Departments and State Enterprises, and where considered necessary, make recommendations for the acceleration, termination, modification, or liquidation of specific programmes;

9) to consider other measures for promoting economic development and recommend them to the Board.

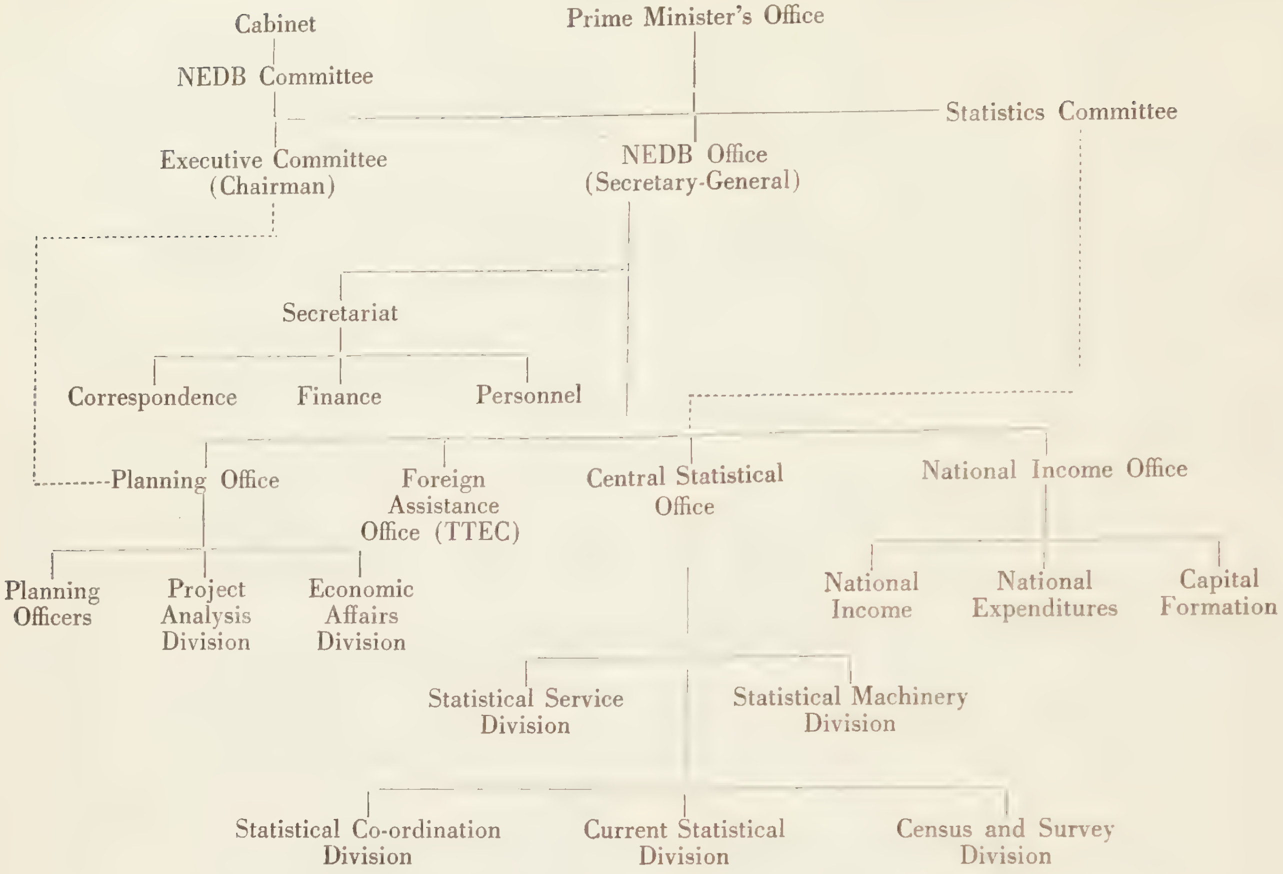
10) to consider and make proposals with respect to the economic development plans and programmes of any company or juristic partnership which, not being a state enterprise but being partially owned by the Government, agrees to carry out the economic development programmes as a state enterprise.

11) to undertake whatever is specified in the other laws to be the duties of the National Economic development Board or the Secretariat.

An Executive Committee comprising the Secretary-General and nine members appointed by the Council of Ministers has also been set up. The chief function of the Committee is to supervise the work of the Secretariat of the National Economic Board.

A chart showing the organization of the National Economic Development Board is given below:

NATIONAL ECONOMIC DEVELOPMENT BOARD


Cabinet
Prime Minister's Office
NEDB Committee
Statistics Committee
Executive Committee (Chairman)
NEDB Office (Secretary-General)
Secretariat
Correspondence
Finance
Personnel
Planning Office
Foreign Assistance Office (TTEC)
Central Statistical Office
National Income Office
Planning Officers
Project Analysis Division
Economic Affairs Division
National Income
National Expenditures
Capital Formation
Statistical Service Division
Statistical Machinery Division
Statistical Co-ordination Division
Current Statistical Division
Census and Survey Division

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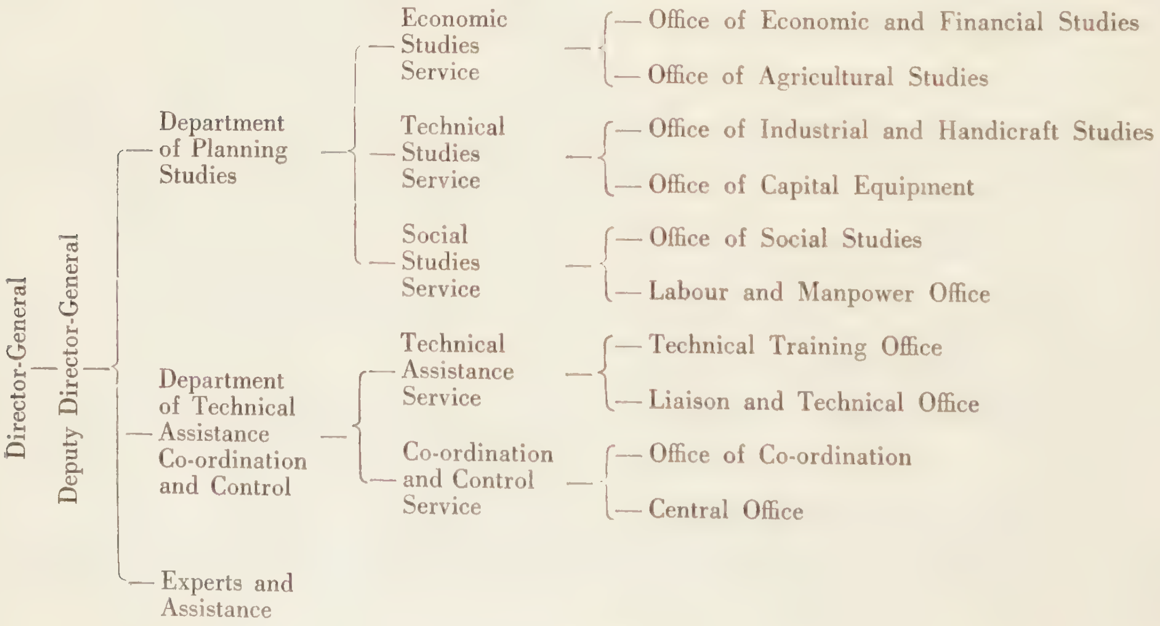
*7 Sectors: Agriculture & Co-operatives; Industry & Power; Transport & Communications; Home Affairs; Health & Education; Commerce; Finance.

SOUTH VIET-NAM

STRUCTURE OF THE GENERAL DEPARTMENT OF PLANNING


Director-General
Deputy Director-General
Department of Planning Studies
Economic Studies Service
Office of Economic and Financial Studies
Office of Agricultural Studies
Technical Studies Service
Office of Industrial and Handicraft Studies
Office of Capital Equipment
Social Studies Service
Office of Social Studies
Labour and Manpower Office
Department of Technical Assistance Co-ordination and Control
Technical Assistance Service
Technical Training Office
Liaison and Technical Office
Co-ordination and Control Service
Office of Co-ordination
Central Office
Experts and Assistance

APPENDIX II

DEVELOPMENT PLANS OF THE COUNTRIES OF THE ECAFE REGION

Country	*Title of Plan*	*Period*
Afghanistan	Five-Year Plan	1956/57 — 1960/61
Brunei	Five-Year Plan	1957 — 1961
Burma	Four-Year Plan	1952/53 — 1955/56
	Four-Year Implementation Programme	1956/57 — 1959/60
	Second Four-Year Plan	1961/62 — 1964/65
Cambodia	Premier Plan Quinquennal	1960 — 1964
Ceylon	Ten-Year Plan	1959 — 1968
China		
Mainland	First Five-Year Plan	1953 — 1957
	Second Five-Year Plan	1958 — 1962
Taiwan	First Four-Year Plan	1953 — 1956
	Second Four-Year Plan	1957 — 1960
	Third Four-Year Plan	1961 — 1964
Federation of Malaya	Five-Year Capital Plan	1956 — 1960
	Second Five-Year Plan	1961 — 1965
India	First Five-Year Plan	1951/52 — 1955/56
	Second Five-Year Plan	1956/57 — 1960/61
	Third Five-Year Plan	1961/62 — 1965/66
Indonesia	Five-Year Plan	1956 — 1960
	First National Development Plan	1961 — 1969
Iran	First Seven-Year Development Plan	1948/49 — 1954/55
	Second Seven-Year Development Plan	1955/56 — 1961/62
Japan	New Long-range Economic Plan	1961/62 — 1970/71
Laos	Plan de développement Economique et Social	1959/60 — 1963/64
Nepal	Five-Year Plan	1956/57 — 1960/61
North Borneo	Four-Year Plan	1957 — 1960
Pakistan	Six-Year Development Programme	1951 — 1956
	First Five-Year Plan	1955/56 — 1959/60
	Second Five-Year Plan	1960/61 — 1964/65
Philippines	Three-Year Programme of Economic and Social Development	1959/60 — 1961/62
Sarawak	Development Plan	1959 — 1963
Singapore	Four-Year Plan	1961 — 1964
Thailand	Three-Year and Six-Year Plan of Economic Development	1961 — 1966
Viet-Nam, Republic of	Projet de Plan Quinquennal	1957 — 1961

THE SCOPE FOR REGIONAL ECONOMIC CO-OPERATION IN ASIA AND THE FAR EAST*

I. INTRODUCTION

The outstanding feature of the organization of world trade at the present time is the emergence and growing importance of regional arrangements for mutually benefical economic co-operation. The Western European countries have been in the vanguard of this movement, but Latin America has also gone far towards working out a regional market and payments system. Nor should it be forgotten that the Eastern European countries, the Soviet Union and mainland China also form a very important regional trading block that is geographically contiguous.

The tendency towards such a regional approach to present economic problems is not simply a historical accident. When the world aspired to a new stable economic framework after the end of the last war, it was realized that the road to a multilateral and free world-wide system of trade and payments, as envisaged in the Bretton Woods Agreement, was long and hazardous. Corresponding to the new horizons of economic policy which have been immensely broadened since the war, continuous consultation among governments and reconciliation of divergent interests and points of view were involved in this process, and the experiment of the Organization for European Economic Co-operation showed that co-operation could be much more easily organized in depth at a regional, rather than universal, level. In fact, it was only through such regional arrangements that, so far as the industrially advanced countries were concerned, the "transition period" provided by the Bretton Woods Agreement was at last brought to an end. The regional approach was an important and perhaps a necessary link in the establishment of a new world-wide trading system that could hardly be deferred any longer.

However, it would be wrong to consider this economic regionalism to be of a purely transitional nature. The success of European economic co-operation has now such an impact on the prevailing pattern of thinking that even the international institutions embodying the ideal of multilateralism have largely come to accept regional arrangements although with certain qualifications. Western Europe itself is now on the move towards a higher form of co-operation, economic integration, and many other regions are following its example.[89] This trend is partly based on the fact that recent technological changes have broadened the scope of economies of large-scale production, involving the need for forming a large and stable market. From this point of view alone, it seems that economic integration or co-operation on a regional scale, rather than on a global scale, has become one of the major goals of economic policy of our time. Indeed, it can be said that "regional arrangements are no longer a matter of choice. They are imposed by the requirements of technology, science and economies"[90] of the contemporary world.

The proposals for economic co-operation in the ECAFE region have to be seen against this background. It would, of course, be superficial to argue that, simply because much of the rest of the world seems to be organizing itself into regional blocks, the ECAFE region must also follow suit. Differences in economic structure and stage of development, as well as special historical and political circumstances, make it imperative that any attempt to forge schemes of economic co-operation within the region be tested by the criterion of a maximum advantage to the countries individually as well as collectively. Argument by analogy will be quite inadequate.

However, even the mere existence of other regional trading arrangements is a sufficient reason for closer co-operation in the ECAFE region. This is because of the discrimination that is likely to be practised by these blocks against the rest of the world. Thus, purely for self-protection in case of undue discrimination by the European or Latin American countries, there is need for joint deliberation and execution of trade policies vis-à-vis imports from these countries into the region, even if there may not appear to be immediately large scope for co-operation in intra-regional trade itself.

Possibilities for fruitful intra-regional trade co-operation could only be realized after much careful examination and patient negotiation on a multiplicity of particular details. As a recent issue of the ECAFE *Bulletin* points out "the movement toward integration in Europe has been neither swift nor smooth",[91] and this in spite of the extremely favourable climate for integration in Europe.

The present paper does not attempt to suggest immediately a whole list of specific cases where economic co-operation between the countries of the region would be possible. Its purpose is to examine from a general standpoint what possible lines of co-operation are open to the countries of the region and what sort of empirical research is necessary to decide whether these possible lines would actually be fruitful. It thus asks, rather than answers, questions. The matter of regional economic co-operation is not one that can be immediately turned over to administrators and statesmen for them to implement as they best see fit. Very much further economic and technical analysis needs to be undertaken before any blueprints can be prepared.

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* Revised version of E/CN.11/CAEP.1/L.4, a paper prepared by the ECAFE secretariat for the first session of the Conference of Asian Economic Planners.

[89] One of the latest moves in this direction is the Common Market Scheme of the so-called Casablanca group of African countries, consisting of Ghana, Guinea, Morocco, Mali, the United Arab Republic and the Provisional Government of Algeria, announced on 22 July 1961.

[90] *Foreign Economic Policy for the Twentieth Century*, Report of the Rockefeller Brothers Fund, Special Studies Project Report III, New York 1958, p.30.

[91] "Regional Trade Co-operation", *Economic Bulletin for Asia and the Far East*, Vol. XII, No.1, June 1961, p.1.

The organization of the rest of the paper is as follows. The relationship between possibilities for co-operation and complementarity between economies is first examined to clear up possible misunderstandings about the nature of the problem to be faced. The European pattern of co-operation is then discussed with reference to the circumstances of the countries of the ECAFE region. This section serves to bring out what is felt to be the proper objective of co-operation in this region, the acceleration of the rate of growth for all the countries concerned. It also points out that the means for achieving this objective must ultimately be the co-ordination of national plans of the countries in the region on a long-term basis. In section IV, an attempt is made to establish the economic case for regional co-operation in the context of historical and perspective economic development, mainly from the point of view of trade. Section V then presents a brief analysis of some important trends in intra-regional trade to serve as a background for the discussion of possible scope of co-operation. The next two sections consider what seem to be the most important aspects of resource allocation in the fields of agricultural and industrial specialization, discussing the questions of self-sufficiency in food and economies of scale in industry. Finally, the financial aspects of regional co-operation, both short- and medium-term financing of intra-regional trade and long-term development financing, are discussed.

II. CO-OPERATION AND COMPLEMENTARITY

In connexion with the question of the prospects for fruitful economic co-operation, the extent of the "complementarity" in resource endowment and production and consumption patterns between the countries concerned is often mentioned as the main deciding factor. Although this seems too obvious for further discussion, it would be useful to enquire a little deeper into the relation between complementarity and the possibilities for co-operation, since it is often misunderstood.

Strictly speaking, the degree of economic complementarity is established by comparing national economies in isolation with one another. The extent of mutually beneficial trade between them can then be deduced as an increasing function of the degree of complementarity. However, when, as in the present case, countries come together to consider the possible scope for closer economic co-operation, there is, as a rule, already in existence a certain volume of trade between them. What is relevant to the possibility of further expanding this volume of intra-group trade is therefore not the degree of complementarity as such, but the extent to which the full volume of intra-group trade, determined by that degree of complementarity, is prevented from realizing itself by the interposition of artificial barriers or other means of economic policy.

It is frequently said, on the basis of some superficial observations, that the possibilities of gains from economic co-operation in the ECAFE region are limited by lack of complementarity. People who are optimistic about regional co-operation like to point out that as much as a third of the total foreign trade of ECAFE countries is intra-regional. From the consideration advanced above, it follows that both these comments are not really relevant to the issue. What has to be decided is the degree of restriction which operates on the potential volume of intra-regional trade. It is thus not a question of the complementarity with respect to the situation with no trade, but of that which remains to be exploited, by proceeding from a situation with restricted trade to one with less restricted trade.

This examination of the question of complementarity also provides a useful perspective in evaluating the task to be performed through regional co-operation and the assessment of its success. For one thing, it indicates, paradoxical though it may sound, that what co-operation has to accomplish is to increase the flow of trade between some of the less, rather than the more, complementary economies of the region. For example, the Federation of Malaya and Japan are highly complementary economies, yet there may be less scope for further promotion of trade between them through regional co-operation, since it seems likely that the full extent of the complementarity is obviously exploited. The Federation is not trying to produce locomotives or transistors, and Japan is not trying to produce tin or rubber. Each of these countries obtains what it wants of each of these commodities from the most efficient producer. On the other hand, Burma and India, which are less complementary, are more likely to reap mutual benefits through co-operation, since each one protects lines of production (rice and cotton textiles, for example) in which the other is the more efficient producer.

Given a degree of protection through tariffs or quantitative restrictions, it is not true, even theoretically, that apparent complementarity is a sufficient condition for benefits to be reaped from the mutual liberalization of trade. If the kinds of commodities produced under tariff protection in each of the countries concerned do not show much overlapping, there is not likely to be a re-allocation of resources in a more efficient direction. Greater benefit will result from trade co-operation if a certain degree of competitiveness prevails among the economies involved.

The basic reason why the lack of complementarity should not be deterrent to fruitful economic co-operation in the ECAFE region is, however, that the problem here is essentially one of co-operation among countries which are at more or less the same or comparable stage of economic development. The 19th century pattern of international division of labour, in which the main component was an exchange of manufactured consumer goods, on the one hand, and foodstuffs and raw materials, on the other, now belongs to the past. In contrast, world trade in the 20th century has been evolving more and more into a new pattern in which emphasis is increasingly on interchange between advanced industrial economies at the expense of commodity flows between industrial and primary producing countries. As will be stated below, this structural change in world trade provides the appropriate historical setting in which the question of economic co-operation among the less developed countries has to be discussed. It is not difficult to see that countries at similar stages of capital accumulation will not show much differences in cost ratios, so far as the latter depend on differences in factor endowments. How should we, then, explain the tendency for trade among the countries with homogeneous factor endowments to increase relatively? Apparently, the role of the relative supply of factors of production as a determinant of the direction of trade tends to lose ground, and it must be deduced that there is increased scope for re-arranging factors of production for productive purposes in the process of industrialization. To the extent to which complementarity expresses itself in differences in cost ratios, it is something that can be created.

The fact, therefore, that almost all countries in the ECAFE region are at present producers of primary commodities should not be taken to imply absence of scope for regional co-operation. On the contrary, the more the commodities produced under tariff protection in the countries concerned overlap each other, the greater will be the potential gains to be derived from trade co-operation. Actually, the question of the scope for co-operation cannot be decided without reference to the extent of trade barriers that are likely to prevail in the future. It is also true that, even if such a scope is limited at present, it will grow in the future, given an appropriate economic policy, as industrialization increases, disclosing further complementarities that are unexploited by the present level and pattern of production.

III. THE ECAFE REGION AND THE EUROPEAN PATTERN OF ECONOMIC CO-OPERATION

It may not be sufficiently realized that both the case for regional economic co-operation and the nature of the problems to be faced, if an attempt is made to move in that direction, are quite different for the countries of the ECAFE region from those of the countries which formed the European Common Market and Free Trade Area, and which are now considering closer forms of economic union. The reason for this lies in the following basic differences between the economies of the two regions:

(*i*) The importance of agriculture in the economies of the ECAFE countries is much greater.

(*ii*) The extent of direct state control over the allocation of resources is generally much wider than in the European countries, where the role of the state is largely limited to monetary and fiscal influence over aggregate demand and supply.

(*iii*) The economies of the ECAFE region are not in the stage of "self-sustained" growth, whereas all the European countries attained this stage some time ago.

An exception to all these three statements is, of course, Japan, which will be excluded from the rest of the argument in the present section. The Latin American countries, whose projects for regional economic co-operation are likely to be more instructive to the ECAFE countries than the European models, also differ in important respects from the ECAFE countries. State control over resources allocation is much less, agriculture is usually a smaller proportion of economic activity, and industrialization is already well on the way.

These differences in the nature of the economies lead to important consequences in the formulation of a scheme for regional co-operation. The fact that agriculture is small relative to the rest of the economy means that the "special position" accorded to agriculture in the European unions still leaves the major sphere of economic activity open to the beneficial effects of the removal of tariff barriers. If agriculture were exempted from a projected attempt at some form of economic co-operation in the ECAFE region, the benefits to be achieved would be limited, though still not negligible. Greater importance would have to be attached in this region to some co-operative measures designed to raise agricultural productivity and to reorganize land use on a more efficient basis.

The greater extent of direct state control over resources allocation in the ECAFE countries also means that co-operation, confined to trade, will not have very far-reaching effects, unless backed up by co-ordination of national plans for the over-all pattern of investment and resource allocation. In a free-market industrial economy, the relaxation of trade barriers influences the pattern of resource allocation through the price mechanism in the direction of greater international specialization, and brings about the gains to be expected from this. In the less-developed economies of the ECAFE region, however, the effectiveness of the price mechanism is severely limited. Where the allocation of resources is determined substantially by the state, trade liberalization alone will not be capable of bringing about the desired pattern of international division of labour. To effect such changes as required, great conscious efforts on the part of governments to co-ordinate their national economic plans along lines of mutual advantage would be needed. Thus, a greater degree of co-operation between governments would be necessary than in the European case to achieve the same results, as far as international specialization is concerned.

The advantages of international specialization and the more vigorous competition between entrepreneurs, promoted by widening the market, are the very *raison d'être* of the European Common Market and Free Trade Area. In the countries forming these unions, economic growth is taken almost as a matter of course, and the function of the union is just to allocate the growing resources more economically over the region as a whole at each point of time. In the ECAFE region, however, the achievement of a steadily rising level of *per capita* real income is a goal that the governments of the region are still striving towards, with varying degrees of vigour and success. As a result, any proposals for regional economic co-operation will be tested by these governments by the extent to which they promote the rate of growth of the national economies. If, for example, they believe that self-sufficiency in food grains is a necessary condition for achieving a higher rate of growth, they will be indifferent, if not even hostile, to any proposal for freer trade within the region in food grains based on the doctrine of comparative advantage. For any proposal for regional economic co-operation to be considered seriously, it will have to be framed with reference to dynamic considerations relevant to each of the potential participating countries.

That the dynamic objective of economic development must be predominant in any scheme of economic co-operation among the less-developed countries in the ECAFE region makes the approach to the problems at hand fundamentally different in nature from that in the industrially advanced region. In the Western European schemes for economic co-operation, as indicated above, the major policy instruments have been the relaxation of quantitative restrictions and the lowering of tariffs on intra-regional trade. In the context of economic underdevelopment, however, the liberalization of trade along the established pattern is not a likely prospect, since attempts at rapid economic development inevitably place so much pressure on the balance of payments as to make quantitative restrictions almost a permanently necessary ingredient of economic policy, instead of being just an emergency measure, as in Western Europe. Any proposal for fruitful economic co-operation, including that for an Asian Common Market, whether limited to a sub-region or covering the whole ECAFE region, will have to be based on the recognition of this need for government control over trade. Selective control, at least vis-à-vis the outside world, has to be maintained for the simple purpose of securing sufficient foreign exchange for imports of capital goods and raw materials necessary for economic development, if not for other reasons.

Tariff protection has also come to be recognized as a legitimate means of promoting industrialization in less-developed countries. It used to be thought that this desire of agricultural countries to build up home industries under tariff protection was an irrational contravention of the precepts of the principle of comparative advantage. Recently, however, it has increasingly been realized that, once a long-run perspective is adopted, taking into consideration such obvious facts as the low income-elasticity of demand for food and the continuous tendency of technical progress to reduce the raw material requirements per unit of output or to develop synthetic substitutes, the policy of diversification is economically justified. But, among the countries of the region there are always differences in the extent to which such protection is required, according to the stage of economic development reached by individual countries. However difficult it may be to apply the principle in practice, any rational programme of economic co-operation in the ECAFE region will have to give due attention to this circumstance, and differentiate the desirable degree of trade liberalization as among the countries which are at different stages of industrial maturity. This problem is, of course, recognized even in Europe, where it is taken care of as a special case by suitable assistance from the more advanced to the backward member countries, and by granting concessions and privileges. In a parallel scheme for the ECAFE region, similar provisions are required even more.

All these considerations are bound to make a possible Asian pattern of economic co-operation for development very much different from the established pattern in Western Europe. But the mere existence of government control does not preclude the possibility of expanding trade co-operation in the interest of accelerated economic growth. The newly intensified attempts of Eastern European countries towards raising the rate of economic growth through trade co-operation under the aegis of the Council for Mutual Economic Assistance confirm this view. Applied to this region, the lesson is that a considerable degree of conscious negotiation and mutual consultation will be required to bring such a co-operative scheme to fruition. A mere liberalization of trade is not enough. But, since the scope of government control and planning is generally more extensive in Asia than in Western Europe, the possible scope for successful co-operation among the governments, either in designing a new pattern of intra-regional specialization or in co-ordinating national economic plans through trade, must be also greater. Equally, the need for tariff protection of infant industries should not exclude the possibility of applying the principle of industrial protection on a more rational basis, taking advantage of a certain degree of intra-regional specialization.

IV. BASIC ARGUMENT: ECONOMIC DEVELOPMENT AND REGIONAL ECONOMIC CO-OPERATION

In the previous section, we have seen that any scheme of economic co-operation in the ECAFE region will have to be framed with reference to dynamic considerations of economic growth. But, why is such co-operation absolutely required for accelerated economic development, and how can it contribute to the realization of such a growth goal? The purpose of the present section is to offer, in rough outline, the economic rationale of regional co-operation among Asian countries from the point of view of economic development.

In the past decade of the 1950's, the annual rate of growth of *per capita* real income actually achieved in the countries of the region, excluding mainland China and Japan, which had an incomparably higher rate of growth, was in the neighbourhood of 2 per cent for the region as a whole. Divided into sub-regions, the rate of *per capita* growth was roughly 3-4 per cent in eastern Asia, 2-3 per cent in southeastern Asia and 1-2 per cent in southern Asia. As compared with the virtual stagnation in the preceding decade, the countries of Asia and the Far East have recently made considerable progress towards the goal of raising *per capita* income levels, but there is no reason to be complacent about achievements, particularly in the south Asian countries and Indonesia. As is often pointed out, the appalling gap in income levels between the industrially advanced countries of the world and the less-developed countries of this region has been continuously widening, and, in addition, the countries of the ECAFE region have been lagging behind the growth of other under-developed areas. One of the main reasons for this is to be found in the unfavourable development of foreign trade, resulting in particular in the limited capacity to import capital and other development goods.

Nor are the prospects for the future bright. Recently, Professor Thorkil Kristensen, now Secretary-General of the OEEC, made an attempt to project the world economy to 1980, and pointed to the probable requirements of Asia for increased food imports from the outside world. Even in the most favourable conditions, Asia's *per capita* income level is projected to increase only by 0.7 per cent annually between 1955 and 1980.[92] Since the basis of Professor Kristensen's projection is the actual trend during 1938-1955, including the abnormal war years, and the new trend in the 1950's is not sufficiently taken into account, his conclusion may be said to have a considerable bias towards undue pessimism. But the mere fact that population pressure could result in the virtual stagnation, if not positive deterioration, of Asia's levels of living over such a long period must cause concern about the growth prospects of Asia and the Far East.

There is today no dispute about the need for diversification, through industrialization, of the economies of the less-developed countries of the region. However, the pace of economic development, and of industrialization in particular, is, in most cases, limited by the growth of exports. The reason is obvious. As late starters in the field of development, the less-developed countries in the ECAFE region rely mainly on exports of primary products — foodstuffs and raw materials — external demand for which has been seen to rise less quickly than the increase in world income. At the same time, their development effort, even on the present scale, has resulted in steadily increasing imports; while the demand for consumer goods has been countered by import restrictions and domestic production, the ECAFE countries depend, and will continue to depend significantly, on the industrialized countries for their growing requirements of capital goods. The share of capital goods (machinery, transport equipment and steel) in the total imports of ten of the twelve primary exporting countries in the region from the industrial countries rose from 26 per cent in 1928 to 37 per cent in 1955-1957, while the volume of capital goods imported rose much more, by about two and half times the 1928 level.[93]

Thus, the limitation imposed on the possible rate of economic growth by the slow growth of exports finds its expression in a growing gap between export prospects and import needs. The gap may be bridged to some extent by foreign capital imports and external assistance. But, from the point of view of self-sustained growth, external economic aid should not constitute a permanent basis for economic development, and in so far as foreign loans necessitate interest and repayment servicing in the future, the extent to which capital imports can be made use of depends ultimately upon export earnings prospects.

The magnitude of the growing imbalance between export earnings and import needs can be illustrated by visualizing their likely trends in the future. Projections of export possibilities, assuming the unchanged structure of trade, for the primary producing countries in the ECAFE region are available in an ECE study regarding the import requirements of industrialized countries for the individual traditional export commodities of the region[94] and have been extrapolated in another ECE study to 1980.[95] For purposes of comparison with these export prospects, an attempt has been made here to estimate likely import requirements in 1980 for the countries in the ECAFE region for which national income data are available. It should be noted that, because of the lack of complete coverage, they are not strictly comparable with the export projections of ECE for the ECAFE region as a whole, and are likely to underestimate the gap as indicated by the latter. The basic assumption was that the economic development of these countries over the next twenty years should be at an average rate sufficient to raise the level of *per capita* incomes by 3 per cent a year for the population which would be growing at the annual rate of 2 per cent.[96]

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[92] Thorkil Kristensen and associates, *The Economic World Balance*, Copenhagen and Amsterdam, Table VII.2, p.250.

[93] United Nations, *Economic Survey of Asia and the Far East, 1959*, p.80.

[94] United Nations, *Economic Survey of Europe in 1957*, Chapter V. Of greater relevance to our problems are the export projections of individual countries in the ECAFE region, based partly on the ECE study and partly on an independent estimate of Japan's import requirements. See United Nations, *Economic Survey of Asia and the Far East, 1959*, pp.89-104.

[95] United Nations, *Economic Survey of Europe in 1960*, Chapter V.

Projections were made for each of such countries separately for consumer and capital goods, and then aggregated. Import elasticity for consumer goods is derived as a function of income and population growth. Since consumer goods were subject to import control, it is hardly surprising that their elasticity with respect to income was low. As controls on imports of consumer goods have stimulated industrial development and indirectly imports of capital goods, the ratio of imports of capital goods to consumer goods is expressed as a function of the ratio of industries' share to the total of national income and of population growth. While, for comparative purposes, the population growth and growth of national income *per capita* were assumed to be the same as in the ECE study, the industrial component of national income was assumed to increase as in the past, at a modest rate.

The substantial increase anticipated in imports of capital goods by 1980 involves a shift in their share in the total imports, from one-half to two-thirds, over a period of twenty years. Independent estimates of capital goods requirements can be made on the lines suggested by the GATT Study of International Trade in 1959.[97] On the assumption that the current rate of saving is 7 per cent of the national income in 1960, and that 25 per cent of additional *per capita* income is saved, the rate of domestic savings can be estimated and the capital requirements on a modest scale can be gauged for the projected income increase, using the marginal capital-income ratio of 2.3 : 1, as in India's second Plan. The resultant gap as calculated with the data used in the import projections for 1980 between the capital requirements (of about $28 billion) and the likely rate of domestic savings (of about $14 billion) indicate the likely need for capital imports. Even on the unlikely assumption that all the capital imports would not take the form of capital goods, the import figure for capital goods projected here is not out of line with such independent estimates.

The projections are only illustrative of the broad magnitude of the problems that are likely to be faced by the countries in the future, and even in that respect are likely to underestimate the future needs of the region. Apart from their lack of coverage of all the countries of the region, they are extrapolations of the trends in the immediate past when efforts at industrialization had just begun. However, they underline not only the wide gap between the import needs and export earnings but also the greater rate of growth of capital goods imports as compared to consumer goods imports.

The need to service the growing capital imports will cut into the export earnings available for financing commodity imports, and it seems that export proceeds will not suffice to pay for the likely total imports or even for the capital goods imports vitally necessary for the economic development of the region.

Table 1

PROJECTIONS OF EXPORTS AND IMPORT REQUIREMENTS OF ECAFE COUNTRIES (EXCLUDING MAINLAND CHINA AND JAPAN) TO 1980

Billions of dollars

	1957-1959 Average	*1980*
Exports[a]	6.9	17.9
Imports[b]	5.2	33.6
Consumer goods	2.8	11.2
Capital goods	2.4	22.4
National income[b]	59	172
Population (in millions)[a]	730	1,170

[a] United Nations, *Economic Survey of Europe 1960*, Chapter V, p.6.

[b] For Burma, Cambodia, Ceylon, China: Taiwan, India, Indonesia, south Korea, Pakistan, Philippines and Thailand only.

For import data classified into consumer goods (including materials chiefly for consumption goods) and capital goods (including materials chiefly for capital goods) see Asian Economic Statistics, *Economic Survey of Asia and the Far East 1959*, p.130.

While import needs have grown, the pattern of development envisaged in these countries through diversification and industrialization implies dynamic changes in the network of trade between advanced and growing economies. An analysis of the composition of trade of the ECAFE countries (excluding Japan) is given below for the period when economic development of the region was slowly gathering speed:

Table 2

ESTIMATED PERCENTAGE DISTRIBUTION OF TRADE OF ECAFE COUNTRIES (EXCLUDING MAINLAND CHINA AND JAPAN) ACCORDING TO VARIOUS TYPES OF INTERCHANGE[a]

	Exchange of:			
	Commodities against invisible items	*Foodstuffs and raw materials against foodstuffs and raw materials*[b]	*Manufactures against manufactures*[c]	*Foodstuffs and raw materials against manufactures*
1953	5.2	39.9	13.3	41.3
1958	15.8	38.8	12.9	32.5

[a] For the method of computation see A. O. Hirschman, "Commodity Structure of World Trade", *Quarterly Journal of Economics*, 1943, p.565.

[b] SITC sections 0, 1, 2, 3 and 4.

[c] SITC sections 5, 6, 7 and 8.

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[96] This postulated rate of income growth is based on the consideration that a rate of growth lower than this would not be able to avoid a widening of the relative gap in levels of living betwen developed and under-developed countries, and is, of course, much higher than can be reasonably anticipated given the present trend.

[97] GATT: *International Trade 1959*, Geneva 1960, p.50 f.

The share of imports financed by "invisibles", which for these countries denote capital imports, has significantly increased even within such a short period. Slightly more than one-third of the trade of these countries has been in exchange of foodstuffs and raw materials for foodstuffs and raw materials. While the proportion of manufactures secured in exchange for the region's foodstuffs and raw materials has declined, the region has not made any progress in obtaining imports of manufactured products in exchange for its manufactured products.

The importance of the trends revealed here for the development policy of less-developed countries in the ECAFE region cannot be overemphasized. This is but another expression of the remarkable trend in world trade, so forcefully brought home by the late Professor Ragnar Nurkse,[98] that the flow of goods between industrially developed and under-developed countries, especially the latter's exports to the former, has been relatively declining, while the relative share of the mutual trade among the industrial countries has shown a spectacular increase. Moreover, it has been confirmed by the GATT report that this tendency has not only continued, but has recently been rather intensified.[99] It is imperative for the less-developed countries to secure imports of manufactured goods, especially capital goods, in amounts sufficient to realize the level of investment necessary for accelerating economic development. But the ability of these countries to pay for increased imports of manufactured goods through primary exports is now severely limited. In the 19th century, when the increasing share of the world trade consisted of the interchange of primary products and manufactured goods, it was possible for the then under-developed countries to gear their development pattern to export markets for primary staples. For the under-developed countries of the present day, the growth through exports of primary products offers only relatively limited opportunities.

What about alternative development patterns open to the under-developed countries today? There have been in history cases of successful export-oriented industrialization, and expert advice is often given to the less-developed countries that they should make the best use of the abundant supply of labour, specializing in labour-intensive types of manufacturing activity. Current show-case examples for this type of industrialization are Hong Kong and Puerto Rico. However, these examples point to the importance of the minimum level of efficiency of labour and social overhead investment. Even in the densely populated areas of the ECAFE region, labour may not be really cheap in terms of efficiency, and the investment needed may not be realizable on the basis of the limited import capacity. The main barrier, however, is on the demand side. Determined by the scale of comparative advantage, the commodities that can be efficiently produced by the countries in the initial stages of economic development will be mainly the cruder and simpler kinds of manufactures, and they can usually not hope to find a large market in developed countries, competing as they do with the latter's quality products. If extension of sales is possible, export markets must be found by displacing existing high-cost suppliers in the advanced countries, rather than by expanding existing markets. The demand for commodities being growth-inelastic, any attempt by the developing countries to enter the markets of developed countries is bound to meet intensified resistance on the part of the declining industries in such advanced countries. The recent experience of cotton textile producers in the ECAFE region who tried to enter the established markets of the Western countries has invariably been a story of trouble and frustration. The figures in table 2 clearly indicate the relatively disappointing progress made by the less-developed countries of the region in obtaining capital goods in exchange for their own manufactured products. Thus, the pattern of development oriented towards exports of manufactured goods to industrially advanced markets can hardly be a major factor at present, and the developing countries, insofar as they are successful in industrialization, will probably be forced to export their crude and simple manufactures to each other's markets, instead of the mass markets in the advanced countries.

This leads us to the third, and probably most realistic, alternative pattern of development; namely, expansion of output, and industrialization in particular, for domestic markets. The solution is the principle which underlies the often repeated policy prescription of balanced growth and diversification of economic structure, and the problems connected with home-market expansion are so well known that no further explanation in detail is needed. We have started from the statement that the pace of economic development is severely circumscribed by an import capacity which is limited by export prospects. If the countries aspire to a rate of economic growth higher than is feasible on the basis of prospective export growth, they have no choice but to substitute domestic production for the goods that they cannot possibly afford to import from abroad. Which imported commodities should be replaced by domestic production will depend upon several factors, such as the size of the home market, resources endowments and the particular aptitudes and skills of the population. The decision will also be influenced by the stage of economic development the countries have already reached. Given the agricultural status of most countries, it may be the line of least resistance for many of them to raise agricultural production to replace imports. In the initial stage of development, countries may have great opportunities for substituting domestic production of manufactured consumer goods of daily necessity for imports; at a more advanced stage, when the possibility of import substitution in consumer goods has been already realized to the limit, countries may be in a position to initiate home production of capital goods, of which future imports may be partly dispensed with. At different stages of development, countries may adopt two or three approaches in combination. The possible directions of import substitution do not represent a rigid historical sequence which the developing countries are predestined to adhere to.

The extent to which this process of import substitution has been developed in countries of the region is reflected in the ratios of imports to domestic product, as summarized in table 3. It is not surprising that the relative level of imports is determined mainly by the size of the country's home market. During the 1950's, it was only in the countries with relatively large markets that the process of import substitution in aggregate terms was carried out to an appreciable extent. In view of the necessity of securing capital and development goods from extra-regional sources, however, the general trend has been that import substitution has largely proceeded at the expense of imports from within the region, except in the case of China (Taiwan), the Philippines and Thailand. The present size of imports from outside the region can in general be considered to be near the minimum level of economic feasibility, with perhaps the exception of Ceylon. If the import capacity of these countries were not to increase appreciably as development proceeds, they might very well be forced to sacrifice the advantages of intra-regional division of labour that still remain. Since the intra-regional import coefficient is already at a very low level in countries having large- and medium-size markets, this will impose an almost unbearable burden upon the capacity of the countries to develop. Incidentally, that this is already happening in the ECAFE region can be seen from the fact that the relative share of intra-regional trade in the trade picture of the ECAFE countries is apparently showing a stationary or slightly declining trend recently.

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[98] Ragnar Nurkse, *Patterns of Trade and Development, Wicksell Lecture*, Stockholm 1959.

[99] GATT, *International Trade 1959, op.cit.*, Table 3, p.8.

Table 3.

SELECTED ECAFE COUNTRIES: IMPORT COEFFICIENTS,[a] 1951 AND 1959

Size of market[b] (in millions of US dollars)	*Country*	*1951*			*1959*		
		Total import coefficient	*Intra-regional*	*Extra-regional*	*Total import coefficient*	*Intra-regional*	*Extra-regional*
Over 15,000	India[c]	8.5	2.4	6.1	6.9	0.8	6.1
	Indonesia[c]	5.2	2.2	3.0	2.6	1.1	1.5
3,000 — 6,000	Philippines	13.2	2.1	11.1	9.1	2.7	6.4
	Korea, southern . .	9.4[d]	4.4[d]	5.0[d]	10.6	2.1	8.5
1,000 — 3,000	Thailand	13.2	4.8	8.4	18.3	8.8	9.5
	China (Taiwan) . .	15.6	6.9	8.7	17.3	8.0	9.3
	Burma	18.5	10.9	7.6	19.3	10.3	9.0
	Ceylon	32.5	13.1	19.4	33.2	12.0	21.2

Sources: United Nations, *Asian Economic Statistics (Economic Survey of Asia and the Far East)*, and *Yearbook of National Accounts Statistics.*

[a] The value of imports as percentage of gross domestic product.

[b] Measured by gross domestic product at market prices in 1959.

[c] Import coefficients are calculated in relation to net domestic product at factor cost in the case of India, and at market prices in the case of Indonesia.

[d] 1953.

It is high time that the policy makers in the ECAFE region ponder the probable economic consequences of such a policy of import substitution. They have to recognize clearly the limit of economic feasibility of import substitution to be effected on the basis of narrow national markets. They have been fully justified in adopting the pattern of development based on home-market expansion. But the concept of the balanced growth of domestic markets presupposes that the level of productivity can be raised on a broad front. Unless accompanied by a sufficient increase in productivity, a persistent substitution policy may be carried so far as to impair efficiency and entail a reduction of exports. A critical point may sooner or later be reached at which more than what is saved through import substitution is lost on exports, resulting in a net loss of foreign exchange.

In the field of manufacturing activity, and production of heavy industrial and capital goods in particular, there is another limit, largely determined by modern technology, to the diversified expansion of output for limited domestic markets. Considering the low level of income, the home markets of many countries in the ECAFE region are far too narrow to support a minimum size of efficient plant in a great number of industries within their territories. This important point will be singled out for discussion in a later section, but it is obvious that the case for diversified output growth for domestic markets cannot be confined to national limits. Manufacturing for home markets in most less-developed countries in the region must, therefore, take into consideration the possibility of exporting products abroad. But, if the mass markets of industrialized countries are severely limited, as we have seen earlier, production planning in the less-developed countries must also include some designs to export products to each other's markets.

Against the background of this analysis, the case for regional economic co-operation stands out more clearly than otherwise. The relatively slow expansion of world demand for the traditional export commodities of the ECAFE region will make it impossible for the primary producing countries in the region to rely on the traditional pattern of trade for accelerated economic growth. Nor are prospects bright for a considerable expansion of extra-regional exports of goods other than the traditional export commodities. For this hope to be realized, a notable change in the trade policy of industrially developed countries would be required, and there is no sign as yet that such a change will be forthcoming. The primary producing countries will have to aim at diversified output expansion for home markets, substituting domestic production for as many lines of imports as possible. However, insofar as import substitution is organized on a limited national scale, this cannot be the desirable solution; questions of economic and technological feasibility must be considered. The only way out would be, therefore, to conceive the policy of import substitution on a broader and more rational basis. In economic terms, this is the essence of co-operation among the countries of the region. If the countries were prepared to do so, the process of import substitution could be effected at a regional level; substitution could be promoted and further accelerated in respect of imports from other parts of the world, but existing possibilities of specialization and mutual trade within the region could be consciously cultivated. This applies mainly to manufacturing activity, which is to be started afresh in most of the countries, but there may also be greater scope for expanding trade in traditional export commodities among countries of the region. Thus, regional economic co-operation provides the only framework in which economic development can be accelerated on the basis of a substitution policy without detriment to the efficiency and advantages of international specialization. When the ECAFE region is considered as a whole, imports from outside the region may be kept at a level compatible with the availability of foreign exchange, but the fall in the extra-regional import coefficient will be fully compensated by a higher coefficient of imports from within the region.

Taking advantage of the potential benefits of the broad regional market is of cardinal importance for the industrial development envisaged in many less-developed countries of the ECAFE region. Where modern technology dictates the minimum size of productive facilities far exceeding the limit of national markets, or where the investment requirements in certain lines of production surpass the financial capacity of a single country, some forms of joint industrial project planning may be the solution. Where efficiency suffers from the enforced substitution policy on a national scale, production and efficiency may be considerably improved by some schemes of reciprocal trade liberalization on a regional preferential basis. The range of commodities to be covered may vary from case to case, and such a co-operation may be organized in a sub-regional group of countries or for the region as a whole. For regional economic co-operation to be realized in practice, such details and other administrative aspects of co-operative schemes require further economic and technological studies in the region.[100] Much will depend, however, upon the foresight and initiative on the part of the economic policy makers in each of the countries in the region. The present paper is primarily intended to establish the economic rationale of regional economic co-operation which will help the policy makers in the countries of the ECAFE region in making now decisions for the future of Asia.

To avoid possible misunderstandings, one further remark is necessary. Any measure for regional co-operation with a view to accelerating economic growth will inevitably entail a considerable reshaping of the patterns of production and trade of the region in the future. Growth means also a structural change. The question of co-operation among developing countries must therefore be considered in a dynamic context. From this point of view, the potential of expansion of intra-regional trade will mainly be found in the field of industrial activity which still is to be created in the ECAFE region. This is the basic reason why the apparent lack of complementarity at present should not block the way to regional co-operation. Nor is the idea of regional co-operation antagonistic to the principle of world-wide specialization. If co-operation is conceived not as a means of perpetuating the existing trade pattern, but as "an engine of economic growth", it is clear that, while co-operative efforts can appreciably accelerate economic development, the development process itself is bound to enlarge the potential for trade expansion, both intra-regional and extra-regional. After all, the starting point of an import substitution policy at a regional level has been the need for securing an effective supply of capital and development goods which can be imported only from the advanced countries. Once the less-developed countries in the region have established a certain minimum volume and variety of manufacturing at home, they are likely to develop further potentialities for diversified exports, not only to countries within the region, but also to the outside world and consequent expansion of the capacity to import.

V. TRENDS IN INTRA-REGIONAL TRADE

The scope for promoting an increased flow of intra-regional trade through various forms of co-operative action by the countries in the region has to be assessed in the light of what trends would seem likely to prevail in future under the present system, where each country decides its trading policy independently of the others.

If, even in the absence of deliberate measures to promote closer economic co-operation, intra-regional trade is likely to expand rapidly, it may be concluded that proposals for increased co-operation would be favourably received and implemented without undue difficulty, since they would be facilitating a trend that is already advantageous on purely national grounds to each of the participating countries. On the other hand, if the tendency in the absence of co-operation is to reduce the volume of intra-regional trade, it might appear that the practical possibilities for closer regional trade co-operation would be more limited. If the tendency for a reduction in intra-regional trade were due to deliberate restrictive measures or other policy orientations, however, the scope for regional co-operation to produce beneficial results would still be found to be considerable, if it could be shown that such restriction or policy was not in the best interests of the country practising it. It would, therefore, be of some value to attempt to analyze more closely whatever clearly visible trends can be discerned in intra-regional trade over the last few years. Whereas the argument in the previous section served to show that regional co-operation is *necessary* for accelerated economic growth, the analysis of the actual trade trends may be able to indicate in what directions such co-operation is *possible.*

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[100] For consideration of the institutional aspects of regional co-operation, a comparative study of the regional arrangements in Europe and Latin America, incorporated in an ECAFE study published in United Nations, *Economic Bulletin for Asia and the Far East*, Vol. XII, No. 1, June 1961, will provide a useful background.

Even in the absence of a deliberate import substitution policy under various forms of protective devices, it would seem that the relative importance of extra-regional trade might tend to increase. For one thing, the emphasis on rapid development in most of the countries of the region would mean that an increasing proportion of imports would have to consist of capital and intermediate goods which, apart from Japan, must come mostly from sources outside the region. So far as manufactured consumer goods are concerned, the items for which the income elasticity of demand is likely to be high would also largely be extra-regional imports. This tendency has apparently been reinforced by the effects of deliberate measures of import substitution which were, for understandable reasons, mainly directed against intra-regional imports and contributed to reduce further the relative importance of intra-regional trade flow.

Cotton textiles, for example, are generally a good avenue of industrialization through import substitution, since efficient production can be attained with a fairly small scale of plant and the technical processes involved are relatively simple. This form of import substitution by the countries of the region that are predominantly primary producers affects mostly the exports of other countries in the region that had established cotton textile industries earlier, such as Hong Kong, India and Japan. Another easily adopted line of import substitution is rice production, since every country produces some of this commodity domestically, although many of them have to supplement their output with imports from the traditional surplus countries. The relative ease of expanding rice production instead of establishing a new industry makes this almost the first measure of import substitution that is relied on. Not all countries in the region would seem to be aiming at complete self-sufficiency in rice like India, but most countries at least do not desire to increase their rice imports, as announced by the Federation of Malaya in its recent development plan. Table 4 gives an indication of the extent of the trend for intra-regional trade in rice and cotton textiles to decline in absolute terms.

Intra-regional trade in industrial raw materials, on the other hand, is likely to increase in the future, as in the case of rubber as shown in Table 5.

Although it is not justified to draw conclusions about intra-regional trade as a whole on the basis of an examination of only three commodities, it should be pointed out that these are, with the exception of petroleum, the three most important single items in intra-regional trade, constituting about 27 per cent of the total between them. The figures in tables 4 and 5 seem, therefore, to indicate that the apparently stagnant or declining trends in intra-regional trade can be explained mainly by the deliberate import substitution policy which has reduced the absolute size of the trade flow in cotton piecegoods and rice, for example. The reduction in the trade in these and other similar commodities has been more than sufficient to compensate for the increase of the intra-regional flow of other goods.

Table 4.

ECAFE REGION: COTTON PIECEGOODS AND RICE IN INTRA-REGIONAL TRADE

Year	*Cotton piecegoods*[a] *(in million of square yards)*	*Rice*[b] *(in thousand tons)*
1938	1,246	4,723
1953	971	2,244
1957	879	3,008
1959	683	2,562

[a] Exports from Hong Kong, India and Japan to ECAFE countries, including mainland China.

[b] Exports from Burma, Cambodia, China (Taiwan), Thailand and southern Viet-Nam to ECAFE countries, including mainland China.

Table 5.

ECAFE REGION: RUBBER IN INTRA-REGIONAL TRADE

(in metric tons)

Year	*Region*[a]	*Imports from ECAFE region into*	
		Japan	*India*
1938	175,134	43,601	—
1953	420.664	91,423	1,832
1957	512,415	127,321	10,209
1959	616,391	158,825	14,904

[a] Exports from Burma, Cambodia, Ceylon, Indonesia, Federation of Malaya and Singapore, North Borneo, Sarawak, Thailand and southern Viet-Nam to ECAFE countries, including mainland China. The figures are inflated by Singapore's imports which are largely for re-exports.

To illustrate the typical structure of foreign trade in the less-developed economies of the region, tables 6 and 7 have been compiled for selected ECAFE countries for which the geographical breakdown of imports and exports for each of SITC sections is available. Burma, Malaya (including Singapore), and Thailand constitute a contiguous sub-group of typical food-and raw material-producing countries in southeastern Asia, and are considered here as a unit. Hong Kong and India may be regarded as typical of a more advanced stage of industrialization, with a peculiar difference in the case of Hong Kong, owing to the size of its home market and the special position of its entrepôt trade.

Table 6.

SELECTED ECAFE COUNTRIES: IMPORTS BY COMMODITY GROUPS AND PROVENANCE, 1959

(percentage share of broad regions)

Country and imports by provenance	*SITC section* 0 + 1 *Food, beverage & tobacco*	2 *Crude materials*	3 *Mineral fuels*	4 *Animal & vegetable oils*	5 *Chemicals*	7 *Machinery & transport equipment*	6 + 8 *Manufactured goods*
Burma, Malaya, including Singapore, and Thailand:							
Imports from:							
ECAFE region[a]	53.5	97.1	76.8	73.2	23.9	23.7	60.5
whereof: Japan	2.4	0.5	1.2	3.2	9.7	17.1	34.3
Industrial areas[b]	31.1	1.5	8.0	4.8	72.3	73.3	35.7
Others	15.4	1.4	15.2	22.0	3.8	3.0	3.8
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hong Kong:							
Imports from:							
ECAFE region[a]	71.8	51.0	83.4	80.6	15.0	23.6	58.0
whereof: Japan	5.6	2.3	1.5	45.7	8.1	20.4	27.1
Industrial areas[b]	19.4	22.7	5.8	6.4	78.9	74.9	35.2
Others	8.8	26.3	10.8	13.0	6.1	1.5	6.8
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0
India:							
Imports from:							
ECAFE region[a]	13.2	24.2	48.2	77.1	13.1	5.6	12.8
whereof: Japan	—	1.6	—	—	9.7	5.1	8.8
Industrial areas[b]	78.7	30.8	12.1	3.5	79.0	89.7	67.6
Others	8.1	45.0	39.7	19.4	7.9	4.7	19.6
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: National customs returns.

[a] Excluding mainland China.

[b] Western Europe and North America: Japan is excluded from the industrial areas.

Table 7.

SELECTED ECAFE COUNTRIES: EXPORTS BY COMMODITY GROUPS AND DESTINATION, 1959

(percentage share of broad regions)

Country and imports by provenance	*SITC section* 0 + 1 *Food, beverage & tobacco*	2 *Crude materials*	3 *Mineral fuels*	4 *Animal & vegetable oils*	5 *Chemicals*	7 *Machinery & transport equipment*	6 + 8 *Manufactured goods*
Burma, Malaya, including Singapore, and Thailand:							
Exports to:							
ECAFE region[a]	63.3	25.3	64.0	38.6	74.4	82.9	50.0
whereof: Japan	5.9	13.7	2.6	0.8	0.9	0.1	11.4
Industrial areas[b]	17.8	50.8	6.1	46.2	21.3	4.4	41.9
Others	18.9	24.0	29.9	15.2	4.3	12.7	7.2
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hong Kong:							
Exports to:							
ECAFE region[a]	60.9	81.9	46.7	81.5	79.3	57.2	18.3
whereof: Japan	0.2	74.8	—	0.5	0.1	—	0.3
Industrial areas[b]	25.7	13.7	—	4.7	2.6	25.5	60.6
Others	13.4	4.4	53.3	10.8	18.1	17.3	21.1
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0
India:							
Exports to:							
ECAFE region[a]	9.2	31.9	74.4	21.5	37.4	53.2	17.9
whereof: Japan	0.2	25.6	0.5	0.6	4.5	0.1	0.9
Industrial areas[b]	67.7	51.1	13.1	53.0	44.2	9.0	47.4
Others	23.1	17.0	12.5	25.5	18.4	37.8	34.7
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: National customs returns.

[a] See footnote a to table 6.

[b] See footnote b to table 7.

The tables can be interpreted from several points of view. If the question is one of a division between industrial and non-industrialized countries, the ECAFE region (excluding Japan) and "Others" can be lumped together to constitute the non-industrialized areas, while Western Europe, North America and Japan can be treated as one group of industrialized areas. From the point of view of intra-regional trade, however, Japan will have to be considered separately from the other industrial areas. That the centrally planned economies, including mainland China, and other under-developed regions are aggregated in the category of "Others" limits the usefulness of these tables for the analysis of long-run trade prospects, in addition to the non-availability of time series covering the substantial span of past periods. As a time series of longer periods becomes available and the comparability of trade statistitics among the countries is improved through a wider adoption of the SITC classification by individual governments, a more penetrating analysis of the trade flow by means of trade matrix may become feasible in this region, too.[101]

With regard to foodstuffs, fuels and industrial raw materials, the countries mentioned in the table depend for the bulk of their imports and exports upon the under-developed areas, among which the ECAFE countries loom very large. The only exception is India, with its heavy dependence on industrial countries for food imports and for exports of foodstuffs, animal and vegetable oils, and crude raw materials. Raw material exports from the southeast Asian group are also directed to the industrial areas to a considerable extent. However, it is important to note that the trade structure of these countries in 1959 seems to indicate a limited validity of the classical pattern of international division of labour in the present world economy. According to the 19th century pattern, the bulk of the primary exports from the less-developed countries was to be sent to the industrialized areas in exchange for manufactured goods. At the present time, the mutual trade in primary products among the under-developed countries, both within and outside the ECAFE region, is no less significant, and in many cases more important, than the trade with industrially advanced countries.

In respect of imports of manufactured goods, it is easily understandable that the countries in the region depend largely on supplies from the industrially advanced countries, particularly those outside the region. In the case of a combined group consisting of Burma, the Federation of Malaya, Singapore and Thailand, as well as Hong Kong, however, a large part of imports of manufactured goods, other than machinery and equipment, originates from within the region. On the export side, although the absolute level is low, the bulk of manufactured exports goes to other under-developed countries, and most notably to those in the ECAFE region. The only case in which the combined share of the markets in the under-developed areas is below 50 per cent of total sales abroad is Hong Kong in respect of manufactured goods, other than machinery and equipment. There is reason to believe that, in the initial stages of industrialization, the less-developed countries will almost certainly not be able to expand their exports of domestically produced manufactured goods to the markets of advanced countries, and will, therefore, be forced to expand their markets among themselves to a greater extent. So far as countries in the ECAFE region are concerned, in both the initial and the more advanced stages of industrialization, table 7 provides rather conclusive confirmation of this statement. A comparison of the trade structure of 1959 with that of an earlier period clearly shows the tendency for intra-regional trade in the exports of these categories of goods to increase in relative importance. This is precisely the basis on which it is expected that the potential benefits of intra-regional trade co-operation will increase as the countries of the region make further progress in industrialization.

In comparison with an earlier period, the same phenomenon can also be statistically appraised from the angle of imports into some selected countries in the region. In table 8, for example, the relative shares of intra- and extra-regional sources of supply of manufactured imports into Burma and Thailand in 1959 are compared with those in 1955. During a relatively short period of four years, the intra-regional imports of Thailand increased considerably at the expense of imports from the United Kingdom and United States, whereas in Burma the regional share in manufactured imports was almost maintained in the face of the rapidly declining share of the United Kingdom.

Table 8.

BURMA AND THAILAND: RELATIVE SHARES OF INTRA- AND EXTRA-REGIONAL SOURCES OF SUPPLY OF MANUFACTURED IMPORTS,[a] 1955 AND 1959

	1955	*1959*
Burma		
Hong Kong	2.7	2.8
India	12.5	11.7
Japan	30.6	30.8
Malaya (including Singapore)	0.8	0.6
Four ECAFE countries	46.6	45.9
United Kingdom	28.8	19.6
Thailand		
Hong Kong	11.37	8.67
India	3.23	2.08
Singapore	3.69	2.70
Japan	26.32	35.39
Four ECAFE countries	44.61	48.84
United Kingdom	13.69	11.82
United States	20.25	15.37

[a] Representing SITC sections 6, 7 and 8.

A similar tendency is also discernible in another small country in the region, namely, Ceylon. Here, the Department of National Planning constructed a special category of imports called "selected import items", after omitting from import items under SITC section codes 6, 7 and 8 textiles and clothing and certain advanced technique goods, such as cameras and lenses, etc. Table 9 shows the relative shares in the imports of the "selected import items" as well as in total textiles imports (SITC division code 65) of the United Kingdom on the one hand, and four ECAFE manufacturing countries, namely Hong Kong, India, Japan and Singapore, on the other, in 1955 and 1959.

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[101] The compilation of *Asian Trade Statistics*, Tokyo, 1960, by the Institute of Asian Economic Affairs in Tokyo, and the study project now in progress at the above Institute may be regarded as an important first step in this direction. For this kind of project to be successful, however, co-operation of individual governments in the region will be required.

Table 9.

CEYLON: PERCENTAGE SHARE IN IMPORTS OF "SELECTED ITEMS" AND TEXTILES, 1955 AND 1959

	Selected import items		*Textile imports*	
	1955	*1959*	*1955*	*1959*
Four ECAFE countries	43.9	55.4	73.7	70.8
United Kingdom	43.0	34.6	22.0	18.3

It is interesting to note that, during the relatively short period 1955 to 1959, the share of the four ECAFE countries in Ceylon's imports of "selected import items" increased by more than 10 percentage points, mainly at the expense of the United Kingdom, despite the Commonwealth preferential treatment enjoyed by the latter country. During the same period, the already high relative share of the four ECAFE countries in Ceylon's textiles imports declined only slightly, but the share of the United Kingdom went down more sharply. The tendency for Ceylon's intra-regional imports of these selected items to increase faster than imports from outside the region can also be seen in the fact that, in 1959, the level of imports from Hong Kong, India, Japan and Singapore stood at 399, 157, 264 and 135 respectively, with the level of 1955 imports as 100, as compared with the index of 104 for the United Kingdom.

The future prospects of the intra-regional textiles trade are of special importance in the discussion of the possible scope of regional trade co-operation, because textile goods rank first in the list of commodities traded intra-regionally. Import substitution is also generally applied first to this branch of light manufacturing and is presumably responsible for the declining absolute level of the intra-regional trade flow in cotton textile goods, to which reference was made earlier. However, this is no reason for despair about the scope of regional co-operation in the textile trade. For one thing, textile goods have, for many years, represented a steadily declining share of world commodity trade; the ECAFE region is no exception to this world-wide trend. But, if we consider the geographical origin of textile imports into a representative body of selected countries of the region, it can be established beyond any doubt that an increasing share of these imports originates in the region at the expense of the extra-regional supplies. This is shown in table 10. It is significant that even the virtual monopoly of Western Europe in respect of woolen products has been broken during the relatively short period of four years, and that the degree of self-sufficiency for the region as a whole has been successfully advanced on a broad front. It can also be shown that this tendency for the intra-regional supply of textile goods to increase in relative importance has continued and has further intensified in many lines of products up to 1959. Noteworthy also is the progress registered by mainland China as a supplier of cotton products to the countries of the region. It is unlikely that mainland China will remain a negligible factor in any study of the development of intra-regional trade.

Insofar as the region's hope of economic development hinges on industrialization aimed at a market larger than the national one, the analysis of the trade pattern in this section shows that much reliance cannot be placed on exports of manufactured as well as traditional primary products to the industrially advanced countries outside the region. A more detailed analysis of the export prospects of individual commodities may bring out this conclusion more clearly, but this is outside the scope of the present paper. The fact is that the developing countries of the ECAFE region have potentially large market in neighbouring countries, not only for traditional export commodities, but also, and what is more important, for the products of their incipient manufacturing industries. Whether they can make full use of these opportunities is a real test of economic statemanship.

Table 10.

SELECTED ECAFE COUNTRIES:[a] IMPORTS OF TEXTILE PRODUCTS BY PROVENANCE (BROAD REGIONS), 1953 AND 1957

Commodities	*Imports from*					
	ECAFE region	*Western Europe*	*North America*	*Eastern trading area*[b]	*Others*	***Total***
Cotton yarn:						
1953	46.4	35.9	10.1	—	7.6	100
1957	55.7	23.9	5.9	10.5	4.0	100
Woolen yarn:						
1953	33.8	56.9	—	—	9.3	100
1957	44.0	54.2	0.7	0.2	0.9	100
Chemical fibre yarn:						
1953	42.6	42.5	0.1	—	14.8	100
1957	53.6	27.1	2.1	—	17.2	100
Cotton textiles						
1953	59.9	14.6	20.2	2.2	3.1	100
1957	61.6	8.3	10.4	16.8	2.9	100
Woolen textiles						
1953	15.4	82.6	0.1	0.2	1.7	100
1957	36.3	58.9	0.8	0.5	3.5	100
Chemical fibre textiles						
1953	50.9	15.0	33.1	0.3	0.7	100
1957	68.8	11.1	15.6	2.1	2.4	100

Source: Institute for Economic Research, Toyo Spinning Co., Ltd.: *An Empirical Study in the Textile Trade in South East Asia,* Osaka 1960, p.60.

[a] Burma, Ceylon, the Federation of Malaya and Singapore, Hong Kong, India, Indonesia, Pakistan, the Philippines and Thailand.

[b] The centrally planned economies, including mainland China.

VI. THE QUESTION OF SELF-SUFFICIENCY IN FOOD

While scepticism about the advantages of international specialization is widespread, nobody believes that complete autarchy is a necessary condition for the maximization of the rate of growth. It is both important and difficult to decide, at both the theoretical and practical levels, what pattern of international specialization, whether on a global or regional basis, is most likely to stimulate the rapid economic development of individual countries.

In the ECAFE region, countries such as Burma, Thailand and the Republic of Viet-Nam have had a continuing exportable surplus of rice, whereas others, such as Ceylon, the Federation of Malaya, India and Indonesia, have traditionally been rice importers, in spite of substantial domestic production. The agricultural exports of these countries have consisted largely of industrial raw materials, such as cotton, jute and rubber and, in the case of Ceylon and India, of tea.

Since national independence, which in most cases was achieved around 1950, the pattern of the rice trade in these countries, on both the import and export side, has become characterized largely by direct state regulation in the interests of economic development and national welfare. Perhaps as an inevitable outcome of bilateral bargaining, short supply and high prices in the immediate post-war years, the deficit countries have all shown a tendency to aim at self-sufficiency in rice production. Some of this substitution of rice imports has undoubtedly been at the expense of reduced acreage under cash crops, although the exact extent is difficult to ascertain. Assuming that the plans for self-sufficiency of the deficit countries meet with success, it has been estimated that the total planned exports of the surplus countries in 1966 of about 4.2 million tons will exceed the total planned imports of the deficit countries by about 2 million tons.[102] As a result, these 2 million tons will have to be sold in uncertain extra-regional markets.

It would be easy, but beside the point, to deplore this situation on the grounds of deviation from the principle of comparative advantage. Import substitution with regard to rice can be defended by each country practising it on the ground that foreign exchange is vital for the import of capital goods necessary to accelerate the rate of growth, or on other non-economic grounds. What might be lost sight of in this argument is that the use of domestic resources to substitute for imports withdraws them from potential uses for exports, and that the gain in foreign exchange resulting from the one activity has to be balanced against the loss from the other.

Recognition of this simple fact seems to open up a fruitful avenue of economic co-operation between the countries of the ECAFE region. Suppose that Indonesia, for example, were to divert land and other resources from rice production for domestic consumption to sugar production for export, and that the deficiency in rice consumption were made up by imports from Burma. For the region as a whole, this would mean an increase in extra-regional exports from Indonesia[103] and a decrease in extra-regional exports from Burma. If the foreign exchange earning from Indonesia's sugar exceeded those lost on Burmese rice, it would be in the joint interest of the two countries to co-operate in the manner indicated, since both countries would gain; the extent of gains to each of the countries would, of course, depend upon the negotiated level of rice price.

It certainly seems possible that, as a result of unduly rigid pricing due to over-optimistic expectations on the part of the exporters, the deficit countries may have found it profitable to divert resources from cash crops to rice. Confronted with this situation, the exporters have either had to, or will in future, have recourse to extra-regional markets at rather unfavourable terms in countries that are not regular rice consumers. Thus it would seem that joint planning to increase foreign exchange resources in the manner indicated could prove fruitful.

That such co-operation would encounter severe technical and administrative difficulties is of course certain. At the same time, however, the gravity of the problem of foreign exchange to the countries of the ECAFE region is so acute that it might nevertheless prove worthwhile. Co-operation would also have to cover a joint study of the technical possibilities of resource use in the countries concerned, projecting the likely pattern of future world prices for rice and cash crops, and determining how any possible gains would be shared between the countries by the level at which the rice imports from Burma to Indonesia, in our example, was fixed. A preliminary study of the possibilities of such co-operation, if desired by the member countries, might be a valuable project to be undertaken by the ECAFE secretariat. A full-scale study of such a nature is clearly beyond the scope of the present paper.

It is certain, however, that, in this kind of empirical analysis, a study of alternative patterns of resource allocation cannot be confined to activities in the agricultural field. Our point of departure was the need to secure an adequate supply of capital and other development goods in the interest of achieving high rates of growth in individual countries, and from the point of view of the region as a whole. The time will come sooner or later when the region is faced with the necessity of establishing efficient production of capital goods within its territories. In this dynamic context, the question of regional co-operation will not be limited to co-operation between countries at similar stages of economic development; it must also include a discussion of possible co-operation between countries that have reached different stages of growth. The pattern of economic development will, moreover, vary from country to country according to the size of the internal market, and the differences in natural resources endowment. Quite apart from Japan, which can be characterized as fully industrialized, there are in the region several countries that have already reached the stage of developing capital goods production.[104] Others are still in the stage of development in which only substitution of imports of manufactured consumer goods can be contemplated, and in yet others current imports just maintain the traditional patterns of economic activity, and certainly do not initiate capital formation or the development process. Accordingly, any scheme for co-operation acceptable for the ECAFE region has to include some provisions for equitable patterns of distribution of gains resulting from such co-operation between the countries at different stages of development. To illustrate the possibility of regional co-operation in the context of specialization in the vertical sense, the example of India will be used, in view of its great potential for capital goods production, thanks to its enormous resources of coal and iron ores.[105]

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[102] See "Some Aspects of Agricultural Planning in Asia and the Far East", United Nations, *Economic Bulletin for Asia and the Far East,* Vol. XI, No.1, June 1960, p.22.

[103] The fact that the actual expansion of sugar exports may be limited by the existing international agreements does not affect the logical implications of the argument.

Among the five declared objectives of the third Five-Year Plan are:[106]

(*ii*) to achieve self-sufficiency in food grains and increase agricultural production to meet the requirements of industry and exports;

(*iii*) to expand basic industries such as steel, fuel and power, and to establish a machine-building capacity, so that the requirements of further industrialization can be met within a period of 10 years or so, mainly from the country's own resources.

To a considerable extent, these goals are in conflict. Scarce foreign exchange has to be rationed between fertilizer plants to produce food, and machines to produce machines. Where the balance is struck will depend upon how urgently India values one goal against the other. In this connexion, the following quotation from the third chapter of the Draft Outline of the third Five-Year Plan is relevant.

> "In the scheme of development the first proirity necessarily belongs to agriculture. The importance of achieving self-sufficiency in food grains and meeting the requirements of industry and exports is one of the major aims of the Third Plan. Agricultural production has to be increased to the highest levels feasible, so that the incomes and levels of living of the rural population may rise and keep pace with the incomes of the other sectors. The level of agricultural production is an important determinant of the rate of growth of the economy as a whole."[107]

It would therefore seem that, important though they consider capital goods production to be, the Indian planners regard maximization of physical output of food grains to be the keystone of the future development of the country.

It is certain that rapid industrial development cannot take place without a corresponding growth in agricultural supplies to meet the food requirements of the increasing industrial labour force. However, there is no necessity for these food supplies to be produced domestically. Although India's vast abundance of domestic natural resources would make it less dependent on foreign food supplies in an over-all sense than, say, Britain during a corresponding phase of industrialization, there is no reason why it should not be advantageous for India to depend for marginal requirements on international trade, which would also mean in this case intra-regional trade.

The argument usually advanced against a self-sufficiency policy such as that of India is framed in terms of the principle of comparative advantage. This argument is inadequate unless it can be shown that the results which follow from the alternative policy would also be more beneficial from the standpoint of the strategy of long-run economic development. An attempt is made below to show that this would in fact be the case.

Once again, the argument hinges on the problem of the scarcity of foreign exchange. It is clear, from even a cursory perusal of the Draft Outline of the Third Plan, that the major weakness of the Indian economy in the present plan period and in the years to come will be the stagnant level of exports combined with the mounting requirements for imports of capital goods. Setting up domestic capital goods industries is, of course, the correct solution to this problem, and it is one of the main aims of Indian planning. However, it takes capital goods from abroad to produce the capital goods domestically that are intended to replace capital goods of a "lower order" that were formerly imported from abroad. Thus, there can be no short-term solution to the problem of the foreign exchange gap on the present basis.

That the interests of long-run development require a bias in import policy in favour of capital goods is well recognized. What is perhaps not so evident is that, if prospects for expanding export earnings are unfavourable, it becomes necessary to discriminate within the classes of capital goods themselves in favour of those which are used to make other capital goods and against those which are used to make consumer goods. Put in this way, the conflict between "self-sustained" growth and "self-sufficient" agriculture appears acute and obvious, although somehow it seems to be ignored in discussions on the Indian situation. Not only foreign exchange resources, but also the domestic output of iron and steel will have to be rationed between these two uses.

Suppose that some of the foreign exchange used for promoting agricultural self-sufficiency is diverted to enlarge the capacity of the capital goods producing sector. This would reduce the foreign exchange content of future investment, but it would increase current foreign exchange expenditure by the cost of the food that would have to be imported to offset the reduction in domestic output. The choice between expansion of the capital goods sector and of agriculture would thus seem to depend upon balancing an increase in current foreign exchange expenditure against a reduction in future foreign exchange expenditure and thus be a matter of social time preference upon which economic analysis can bring no definite judgment to bear.

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[104] This group of economies may be called "semi-industrialized countries" in the GATT terminology.

[105] In this connexion, the logic inherent in the argument is more important than the example which in fact can be taken from any other country.

[106] Planning Commission, Government of India, *Third Five-Year Plan, A Draft Outline*, 1960, p.11.

[107] *Third Five-Year Plan, A Draft Outline*, *op.cit.*, p.23.

This, however, is not the case, if we take into consideration certain other aspects of the problem. It is wellknown that a large amount of surplus capacity exists in the cotton textile and other Indian export industries. The limitation here is not lack of resources, but of external demand. If, on the other hand, a large exportable surplus of rice is a likely long-run phenomenon in other countries of the region, the latter countries may be expected to have a potential demand for such exports from India. They also possess effective means of converting this potential demand into effective demand in the form of the exportable rice surplus.

This reveals an opportunity for mutually profitable intra-regional trade co-operation, with India diverting resources from agriculture to the more rapid building up of her capital goods industries and meeting the balance of her food requirements by taking up some, if not all, of the rice surplus that already exists in the region. India would be able to pay for these imports simply by expanding her exports to the rice exporters. Of course, this could be achieved only if the countries concerned substantially revise their trade policies and evolve such co-operative arrangements as would be needed for the purpose.

What would be the real cost of the necessary export expansion? To the extent that surplus capacity exists in the export industries, further investment would not be necessary initially. Labour, in view of the volume of under-employment and unemployment that is likely to be a chronic feature, cannot be considered a scarce factor.

The only cost item that really matters would be raw materials and spare parts, and the only foreign exchange cost payment for the proportion of these that has to be imported. If this proportion were zero, India would be able to obtain the net rice surplus of the exporting countries, or at least a good part of it, at no net foreign exchange cost to itself.

Whatever the scope for this utilization of surplus capacity in the Indian manufacturing export industries in the manner indicated, it may be objected that such a surplus capacity remains at best a relatively short-run phenomenon, not likely to exceed four or five years at the most. The argument may not be, therefore, a valid objection to the Indian self-sufficiency policy if a longer run standpoint is adopted.

A full evaluation, on a long-term basis, of the opportunity cost of self-sufficiency in rice to India would be an immense task. What follows is merely an attempt to formulate, at the theoretical level, but in a manner admitting of possible empirical substantiation, a short-cut rule of thumb approach to the question.

First, in comparing the alternative costs of obtaining the required amount of rice between domestic production and import, only capital costs will be considered, on the ground that capital is the only truly scarce factor. This, of course, is not a true reflexion of the real situation, but even if other input items were considerd together, the relative priority of the two alternatives established on grounds of capital costs alone might still be preserved.

The estimated total surplus of the rice exporting countries for each year over a long period, say, twenty years, can be ascertained. This series must be based on the assumption that these countries make an all-out effort to expand rice production on the basis of an assured market at a certain exchange ratio for industrial products, which may vary over the period in question in a predetermined fashion, representing the minimum price necessary to induce them to make the required effort. For purposes of convenience, we may speak of a standard industrial commodity instead of a variety of commodities. The minimum quantity of Indian exports of the standard industrial commodity that is necessary to purchase the rice surpluses can then be obtained for each year. Application of the most reasonable capital-output ratio will then give the capital costs of the rice imports to India.

If the same quantity of rice as that to be imported were to be produced in India, the capital costs would, apart from those of irrigation, consist largely of the necessary investment in fertilizer plants. The magnitude of the capital costs, given the stream of output to be produced, would depend upon the efficiency of the fertilizer and the capital-output ratio in the fertilizer industry itself.

The time comparison of the capital costs of the two alternative ways of obtaining a given quantity of rice cannot be made until an important additional factor is taken into account. This is the fact that not all of the domestically produced rice would be available for consumption in the urban manufacturing sector where it is needed to feed the growing industrial labour force. Only a fraction of the increase in production, depending upon the peasants' relative preference between rice and manufactured consumer goods, and also upon the level and effectiveness of agricultural taxation, would be released to the industrial centres.

Consequently, to make the two methods truly comparable, the domestic production that would be equivalent to a given quantity of imports would have to be greater, the magnitude of the excess depending upon the size of the fraction of rice that is retained in the peasant sector. For example, if, of every two tons of additional production, one ton is consumed directly on the farm, the domestic production necessary to match a given volume of imports would be double. It is to this adjusted level of domestic production that the yield of the fertilizer and the capital-output ratio in the fertilizer industry would have to be applied.

Suppose, on the basis of actual computations on the model suggested, it is found that India would save capital by not attempting total self-sufficiency. Then, on purely economic grounds, there would be a good, though not completely conclusive, case for her to negotiate long-term agreements with the rice exporting countries.

It must not be forgotten, however, that the terms of trade used in the calculation were the minimum necessary to induce the required effort or the "supply price", as economists call it. As to how high above this minimum the actual terms of trade agreed on would be is a matter that depends on relative bargaining power. The same calculation as above, however, would indicate an upper limit to the terms of trade. This would be at the level at which, given the other parameters, it would be just as costly in terms of capital for India to be self-sufficient as to absorb the surplus of the rice exporters.

The capital cost considered in the above analysis might initially be largely in terms of foreign exchange, but, if Indian expectations are fulfilled, the capital goods would be mostly supplied out of domestic resources after 10 years or so. The main limiting factor in Indian development will then be the capacity of her capital-goods producing industries. The less capital that has to be devoted to obtaining necessary food supplies for the urban industrial labour force, the more rapidly can these industries be expanded.

It might be argued that even if a trade agreement on the pattern described above were profitable, the surpluses of the rice exporters would be so small in relation to India's total requirements that the effect would be negligible. This is by no means necessarily the case. If desired, it should be possible, on the basis of a secure market, to expand production in the rice-exporting countries considerably by heavier investment outlays and improvements in organization and techniques.

So far, the matter has been viewed exclusively from the Indian point of view, assuming that the rice exporters would always be willing to enter into trade agreements with India and even to expand rice production, given a reasonable price. The objection of "nineteenth century" pattern might be made on their behalf and will have to be answered. Actually, there is no serious alternative for the rice exporters at present, since their existing industrial base is so small that for some time to come they must depend on rice and other primary exports as the basis of their economic development. But, given a vigorous investment policy, there is no reason why they cannot use the foreign exchange earnings so acquired to diversify their economies. Imports of manufactured goods from India under the trade agreements certainly need not prevent the rise of domestic industries in particular lines. There should certainly be a change in the structure of imports from India, but this could be perfectly consistent with a steady, even if not rising, import volume.[108]

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[108] The possible effects of the "food for development" programme which is entirely a new factor on the scene of international development assistance, have been omitted from the discussion in the present section. These require a separate analysis.

VII. ECONOMIES OF SCALE AND COMPETITION

One of the most frequently mentioned obstacles to accelerated economic development in the smaller under-developed countries, is that the narrowness of the market makes the cost per unit of domestically produced industrial commodities prohibitively high, owing to the fact that the economies of large-scale production cannot be fully exploited. Under these circumstances, the possibility readily suggests itself of a group of these countries combining to undertake some sort of joint industrial venture, perhaps involving a common market in the products of new industries to be set up within their collective territory, on some agreed basis of distribution of the industries between them.

Obviously the extent of gain to be realized from this method of co-operation depends upon the extent to which economies of scale exist in particular industries. A satisfactory answer to the question of practical possibilities of this approach would entail a full-scale engineering and economic survey for each projected industry, a task which of course could not have been performed for the purpose of the present paper. It might, however, be possible to obtain some idea of the possible extent of economies of scale that might be expected on the basis of data for the same industries in advanced countries.

In discussing the size of market in relation to economies of large-scale production, however, it may be useful to insert here the warning that a merely technological consideration would tend to underrate the full range of economies of scale that exist in the economy as a whole. Technologically, an economy is too small and sub-optimal in that sense if its market cannot provide an adequate outlet for the full capacity output of the most efficient plant in a given line of production. However, as is well known, a great deal of complexity has been introduced into the modern industrial structure by requirements for intermediate goods and industries. "An economy, for example, that is large enough to provide adequate domestic market outlets for the output of at least one optimum-sized plant in all industries producing final products may still be sub-optimal if some of these plants need equipment, servicing, or other intermediate products, but provide too small a market outlet for some of these."[109]

The case in point is, for example, the production of motor vehicles, for which the co-operation of a series of subsidiary industries is required. A country's market may be large enough to absorb the capacity output of an optimum-scale automobile plant, but it may still be too small to establish efficient production of steel and all other parts in its own territory. Yet, in order to bring down the costs of motor vehicles to an internationally competitive level, it may be very important to assure the supply of intermediate products at a low cost. In these circumstances a programme of integrated industrial development on the basis of co-operation between neighouring countries may be indicated, for the country in question could offer preferential treatment to imports of certain parts and other intermediate goods from other countries in return for similar treatment granted by other countries to the finished vehicles. Given the need for industrial integration, industry can thus be organized on an economically sounder basis, instead of being developed in a single country at high costs. The technological optimum size of an economy is therefore very much larger than purely technological considerations limited to one single industry might suggest at first. If we add to this the economic consideration that the market has to be large enough to provide the incentive and the degree of competitive efficiency for the establishment of the technically most efficient plants, most of the economies in the ECAFE region at present would appear to be hopelessly small to exploit the full advantages of modern economies of scale.

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[109] Tibor Scitovsky, "International Trade and Economic Integration as a Means of Overcoming the Disadvantages of a Small Nation", E.A.G. Robinson, ed. *Economic Consequences of the Size of Nations*, London 1960, p.283.

Economies of scale, in the narrow sense, are usually understood to mean that production costs in many industries decline steadily as output increases over a considerable range. They are especially pronounced in most industries using chemical and metallurgical processes in which capital charges and labour costs per unit of output are increasingly saved as the size of the operation increases. An outstanding example is the steel industry, for which cost estimates are given in table 11 for production of finished steel in an integrated plant.

Table 11.

ECONOMIES OF SCALE IN STEEL PRODUCTION; COST PER TON IN 1948 US DOLLARS

	Annual Capacity of Plant in 1,000 Tons of Finished Steel			
	50	*250*	*500*	*1,000*
Raw materials	33.84	31.26	31.26	25.68
Maintenance and miscellaneous	20.59	11.11	10.57	9.83
Capital charges	122.93	101.20	87.10	85.05
Labour cost	32.00	15.20	8.57	6.60
Total cost	209.36	158.77	137.50	127.16

Source: United Nations, *Formulating Industrial Development Programmes With Special Reference to Asia and the Far East,* Report of the Second Group of Experts on Programming Techniques organized by the ECAFE secretariat, to be published. This publication should be consulted for appraisal of the assumptions underlying the cost calculations.

Except for mainland China, India and Japan, the annual steel consumption in each of even the more advanced countries in the region has been reported to be in the range of 100,000 — 400,000 tons crude steel equivalent in 1957.[110] If, however, each of these countries were to attempt to establish an integrated steel plant in its own territory separately, perhaps with an annual capacity of 250,000 tons, costs per unit of finished steel would be, assuming that the cost relations indicated in table 11 are also applicable in this region, at least 25 per cent higher than those of the plants of the minimum efficient scale. The combined demand of a number of countries may justify the development of an efficient steel plant within the region, but such a plant can only be organized on the basis of some kind of co-operative efforts among the countries. Even then, there still remain the problems of the technical and economic feasibility of manufacturing finished steel products which require relatively advanced techniques and involve economies of scale of their own. It might be that the total quantity of each finished steel product item consumed in the entire region is only a small fraction of the minimum efficient-scale output.

If economies of scale are to be fully exploited in all stages of production, the proper approach may be first to see whether the establishment of a group of steel-using industries producing final goods is justified on the ground that each of them individually meets the requirement for minimum efficient scale and that, furthermore, their collective steel requirements are sufficient for a steel plant of optimal scale to be producing at full capacity. In the long run, demand for steel in the region is likely to rise fast, and Asia and the Far East is expected to remain a deficit area in respect of steel. But it is significant that the region as a whole, excluding mainland China, is projected as having to import about 11 per cent of its total requirements in 1972-1975, as compared with 19 per cent in 1957.[111] The pertinent question is where and in what form the anticipated increase in production in the region should take place, and there is undoubtedly large scope for joint consultation and deliberation among those responsible for framing industrial policy in the countries of the region. It would be difficult, but extremely valuable, to find out, on the basis of demand projections and cost data, at what approximate date such a balanced and integrated approach to industrialization would be feasible for the region as a whole.

Another branch of producer goods production, which tends to be encouraged in the wake of increased construction investment, and is actually being promoted in a series of the less-developed countries in the region, is the production of cement. An analysis of the cost relations in cement manufacture, based on engineering data regarding the wet process, is reproduced here as table 12 from the report of ECAFE's Second Group of Experts on Programming Techniques.

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[110] United Nations, *Long-term Trends and Problems of the European Steel Industry,* Geneva 1959, Table 88, p.132.

[111] *Ibid.* 146 ff.

Table 12.

ECONOMIES OF SCALE IN CEMENT PRODUCTION: COSTS PER TON IN US DOLLARS

	Annual capacity of plant in 1,000 tons						
	35	*50*	*100*	*230*	*450*	*900*	*1800*
Operating costs	16.2	15.5	15.2	14.7	11.0	9.4	8.4
Capital charges	12.5	11.5	10.8	10.0	8.8	7.0	5.5
Total cost	28.7	27.0	26.0	24.7	19.8	16.4	13.9

It is noteworthy that, at an annual capacity of 100,000 tons, production costs per unit of output are estimated at almost double the level of costs for an efficient plant with a capacity output of 1.8 million tons. Yet it is reported that the capacity of cement plants built recently in Ceylon and India, for example, has ranged from 100,000 to 150,000 tons.

That the industrial planning in particular lines of production has to be carried out in conjunction with future projections of prospective demand and supply is clearly indicated by the way in which the economic planner in Ceylon considered the country's fertilizer programme in the context of the Ten-Year Plan.[112] Fertilizer is one of the producer goods for which demand is certain to increase rapidly in the process of contemplated agricultural development, and it will probably be included in the industrialization programmes of almost all countries in the region, large and small. Incidentally, however, the Ceylonese example serves to bring out the implications of the scale factor for industrial planning. The planner in Ceylon was faced with the problem of selecting the desirable scale of the fertilizer plant to be established. It was estimated that the consumption of nitrogen in 1963 would amount to 40,000 tons, equivalent to 200,000 tons of ammonium sulphate. In view of a possible shift of the demand for nitrogen to forms other than ammonium sulphate, one school of thought advocated that the plant to be established should have a capacity of 200,000 tons of ammonium sulphate. The competing view, which proposed production of 400,000 tons of ammonium sulphate by 1963, however, was based on the fact that only on that scale could the cost of ammonium sulphate be lower than would otherwise be the case, and sufficiently low to enable the anticipated surplus to be exported abroad. In other words, economies of scale were expected to be fully exploited only on the assumption that export markets could be found for the surplus beyond what the domestic market could absorb. How much easier would it have been for the economic planner in Ceylon to make economically rational decisions, if a stable market for this surplus could be assured in neighbouring countries in a joint attempt at co-ordination of national development plans?

A final example is taken from the production of newsprint, for which demand is expected to rise rapidly in the region.[113] While Japan will be able to meet its requirements by domestic production, the supply prospects for other countries in the ECAFE region are not encouraging. The current net import need of the region, excluding mainland China and Japan, is estimated at the rate of some 210,000-220,000 tons a year, but is expected to rise to 275,000 tons by 1965, and to 760,000 tons by 1975, involving a total annual outlay in foreign exchange of over $130 million at the current price level. As the countries will not be able to afford foreign exchange expenditure at such a level on the import of newsprint alone, there is an urgent need to increase production within the region by creating new productive facilities, to avoid a serious newsprint shortage in the future. However, the development of the newsprint industry, if it is planned on a national scale, will be hampered by the narrow limit of national markets taken individually. It is estimated that the present minimum economic size of a modern newsprint mill in industrially advanced countries is in the range of 150,000-200,000 tons per year in terms of capacity output. Thus, the annual output of a single plant of such scale by far exceeds the present consumption of newsprint in any single country of the region, except Japan. But, should each of these countries aim at self-sufficiency, the size of the newsprint mills to be established would inevitably be sub-optimal from the standpoint of modern technique, and the level of production costs correspondingly higher. Table 13, which is based on cost data in the United States in early 1960, shows how production costs per ton of newsprint differ, as the size of mill becomes smaller, from those of an optimum-size mill producing 500 tons a day (165,000 tons a year).

Table 13.

ECONOMIES OF SCALE IN NEWSPRINT PRODUCTION

Size of mill: capacity in tons/day	50	100	200	500
Cost difference: $/ton	+70	+35	+15	—

In view of the limited size of individual national markets in relation to such considerable economies of scale, there is no escaping the conclusion that, insofar as optimum utilization of the region's resources for newsprint production should be aimed at. the development of the newsprint industry should be planned and organized on a regional or sub-regional scale, either through some sort of market sharing on an agreed basis (commodity common market) or through some coordination of development programmes. The practical possibility of such a scheme depends, in addition to the need for further economic and technical studies, including demand and cost projections, only on the willingness of some governments to come together with those of neighbouring countries in a similar situation. Lessons for action are to be drawn from the Report of the

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[112] See National Planning Council, the Government of Ceylon, *The Ten-Year Plan*, Colombo 1959, pp.367.ff.

[113] The following information is derived from the still provisional secretariat paper VI, Newsprint, submitted to the Conference on Pulp and Paper Development in Asia and the Far East, Tokyo, October 1960.

Conference on Pulp and Paper Development in Asia and the Far East, in which it is stated:

> "The small size of national markets, the economies of scale in pulp and paper production (notably in respect of newsprint production), and, in some cases, the complementarity of resources between countries, all point to the need for a regional approach and some co-ordination of development programmes. The Conference in this connexion drew attention to the fact that self-sufficiency might not in all cases be desirable. The achievement of self-sufficiency through high-cost ventures could, for example, lead to the satisfaction of effective demand at a high price level while leaving basic needs unsatisfied. The Conference believed that all these points should engage the earnest attention of governments in the region."[114]

The above examples have been selected at random from a wide range of industrial activities, including the capital goods industry, the producer goods industry and the light consumer goods industry. Even if the analysis is confined to purely technological aspects in a given line of production, the extent of existing economies of scale has been found to be considerable. Moreover, the commodities for which demand is expected to increase rapidly in the process of economic growth are precisely in those lines of production in which large advantages of large-scale production remain to be exploited in the region. This fact opens up potential opportunities for small countries of the region to co-operate with one another in the industrial field in the future. The waste of development efforts involved in industrial planning on the basis of small and economically non-viable watertight compartments can be gauged simply by reference to lists of so-called pioneering industries, enjoying varying degrees of tax exemption and tariff protection in a number of less-developed countries. Overlapping and duplication can be avoided by a fresh start in industrial planing. Even if the time is not yet ripe for full-fledged co-ordination of national development plans, the development of new industries on a regional or sub-regional basis among the smaller countries of the region, with each country having a sub-set of the new industries in its own territory and importing freely the products of the industries located in its partner countries, would appear at present to be perhaps the most fruitful avenue of regional co-operation.

In cases where investment requirements exceed the financial capacity of a single country, the case for regional co-operation based on economies of scale will be reinforced. Suppose, for example, that a large modern fertilizer plant or an iron and steel mill is to be established in one country which has a comparative advantage in these lines because of its access to cheap power or low-cost raw materials. If other countries in the neighbourhood should participate in the necessary capital investment, being in return assured of a continuous supply of low-cost fertilizers or finished steel, this co-operation in joint industrial ventures would help economic development in both groups of countries without imposing unbearable burdens on their financial capacity. One of the instructive examples of this kind of co-operation is the agreement concluded under the aegis of the Council for Mutual Economic Assistance between Poland on the one hand and Czechoslovakia and eastern Germany on the other, in which the latter countries are helping develop Polish brown coal mines. Indications of some incipient attempts at joint effort in this direction are also not lacking in the ECAFE region.

Opportunities for exploitation of economies of scale are not limited to the fields of directly productive activity. Economic and social infrastructure may also be a promising object for co-operation. One very important field in which considerable economies of scale certainly exist is shipping. To avoid waste of freight capacity and also to spread heavy overhead expenses, the joint operation of a gradually expanding merchant fleet by the countries of the region would seem to be a highly productive undertaking.

The existence of economies of scale, mainly on technological grounds alone, would thus provide the basis on which increased industrial co-operation among the countries of the region could be necessary and profitable. Economically, however, the efficiency-inducing effect of potential competition created by a broadened regional market may assume great importance in certain phases of development, possibly greater than the purely technological effects of co-operation. Competition may affect economic efficiency and technical progress, encouraging the introduction of the best methods known and keeping economic decision-makers alert to changing conditions and requirements. The economic stimulus of competition seems to be the factor that many distinguished analysts of European schemes for integration consider the most important. Conditions in the ECAFE region are, of course, quite different in many respects from those in Europe, and it is not intended in this analysis of the scope of co-operation in the region to attach undue importance to the element of competition for the present. However, as the pace of economic development increases, economic policy in the under-developed countries will also be faced with the undeniable economic reality of competition. Even national infant industries should not be insulated from competition altogether, in order to raise their efficiency levels. In Europe, the customs union and the free trade area were introduced after national industries had been established on a protective basis. In Asia and the Far East, it might be necessary to introduce freer trade by mutual agreement to avoid unnecessary inefficiency from the very beginning, even before there is any substantial degree of industrial development in the region.

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[114] Report of the Conference on Pulp and Paper Development in Asia and the Far East (E/CN.11/I&NR/28), 17 November 1960, para.21. The phrase in parenthesis is added from para.109.

VIII. FINANCIAL ASPECTS OF REGIONAL ECONOMIC CO-OPERATION

The problems under this heading can be divided into two groups of different time dimensions. One relates to short- or medium-term financing of intra-regional trade, and the other is concerned primarily with long-term financing of economic development. These two aspects will be considered separately below.

FINANCING OF INTRA-REGIONAL TRADE

The European pattern of economic co-operation in the earlier post-war period was dominated by agreements on the settlement of net payments on a multilateral basis, rather than by direct co-operation on commodity trade. In the immediate postwar years, Europe had been characterized by a large number of bilateral trade agreements, without any system for multilateral clearing, thus more or less obliging each country to balance its trade with each trading partner independently. The pattern of production and trade resulting from this system naturally reduced greatly the advantages to be gained from international specialization. The solution adopted was the creation of the European Payments Union (EPU) which, at one stroke, restored convertibility to intra-European trade balances. Today, the lack of transferability of net balances is not a problem in the ECAFE region, bilateral clearing agreements being a negligible exception. Hence this incentive for the creation of a payments union does not exist.

There is, however, a further feature of the EPU scheme that could be considered for adoption by the countries of the ECAFE region. This is the fact that the net intra-regional balance of each country with the Union did not have to be settled completely in gold or dollars, and the proportion of credit was allowed to increase in steps as the size of the deficit increased. At that point, therefore, the surplus countries would in effect be loaning gold or dollars to the deficit countries. This automatic extension of credit proved to be a highly successful method for the progressive liberalization of mutual trade between the European countries. It was only after freer trade had ben achieved to a considerable extent that this particular function of the Union was transferred to the European Fund newly established under the European Monetary Agreement, when the credit mechanism lost its automatic character.

The relevance of this European experience for the ECAFE region is that such mutual credits would help more effectively than any other means to direct an increasing proportion of the trade flow into intra-regional channels. Mutual credits would also play an important role in introducing an element of reciprocity into any co-operative scheme in the region. It might be almost unavoidable for some countries occasionally to find themselves in a difficult situation in the short run, either in connexion with co-operative schemes or otherwise. The other countries, which derive greater advantages or are in a more favourable position, could grant credits to such countries and wait a reasonable time for the settlement of trade balances. This might give a means of self-protection and adjustment to the countries in distress, whereas the surplus countries might be induced or obliged to increase imports from them. Expansion of mutual trade is always a natural solution, much more preferable than enforced restrictions on the part of deficit countries.

The system in the European context could work only on condition that the member countries did not build up permanant surpluses or deficits but used credit facilities only to cover short-term fluctuations in intra-regional trade. Any member country that developed a tendency towards a chronic surplus or deficit was supposed to attempt to reverse it by various monetary, fiscal and commercial means.

Table 14.

ECAFE REGION: BALANCE OF INTRA-REGIONAL TRADE[a]

(in millions of US dollars)

Country	*1938*	*1953*	*1957*	*1959*
Burma	+76.4	+ 83.3	+ 3.9	+ 26.1
Ceylon	—31.2	— 24.6	— 54.9	—108.1
Federation of Malaya and Singapore . . .	—93.1	—261.2	—237.3	—228.1
Hong Kong	— 6.0	+ 2.5	—150.8	—213.5
India	—28.0	+ 62.2	— 34.9	+ 61.6
Indonesia	+40.6	— 55.7	+128.4	+114.9
Japan	+67.5	— 5.5	+366.7	+321.9
Korea south	...	—112.1	— 79.8	— 78.7
Pakistan	...	+108.1	+ 37.1	+ 11.1
Philippines	— 9.8	— 9.9	— 81.2	— 30.4
Sarawak	+13.0	+114.1	+ 75.6	+ 66.9
Thailand	+33.7	+115.4	+ 61.0	+ 15.9

Source: United Nations, *Direction of International Trade.*

[a] Import figures are derived from the returns of exporting countries.

Table 14 shows the pattern of net multilateral balances of intra-regional trade for twelve countries of the ECAFE region. It shows that Burma, Pakistan, Sarawak and Thailand have always had a surplus for the years shown, and Ceylon, the Federation of Malaya and Singapore, the Philippines and south Korea have always had a deficit. Japan, in spite of a small deficit in 1953, has tended to develop very large surpluses recently.

It might be deduced from this table that the adoption, in this region, of a system of mutual credit extension along the lines of the European pattern would result in some countries becoming permanent creditors and others being permanent debtors. Actually, the patterns of intra-regional trade are decisively influenced by the flow of capital from outside the region, and the present tendency towards constant surpluses or deficits in intra-regional trade should not always be interpreted as reflecting long-run structural elements of the economies in the region. This consideration opens up some, albeit limited, possibilities of placing the regional payments system on a more flexible basis, with the co-operation of the industrially developed countries outside the region. The prototype of the elements which should be included in such a scheme would be the experiments of the "Hague Club" and the "Paris Club", through which some of the under-developed countries were enabled to participate in a triangular or multilateral trading and payments system with advanced countries. The difficulties should not, of course, be underrated. Obviously, there is no incentive for countries with constant surpluses in intra-regional trade to join a regional system of multilateral credits. On the other hand, the countries which usually have debit balances with the rest of the ECAFE countries, but large and persistent credit balances vis-à-vis the outside world may be more interested in maintaining their transferable liquidity. The existence of the historical ties with outside currencies which divide the region into divergent currency groups is also a complicating factor. Any scheme aiming at a regional system of short-term trade credits and payments will have to take all these divergent interests into consideration.

One thing is clear, however. The question of trade and payments in the ECAFE region has to be approached from the dynamic point of view of economic growth. What is involved is not merely a monetary and credit mechanism, but an effective instrument for the economic development of the region through some kind of co-operation. The experience of Europe shows that some features of the European Payments Union could be helpful in expanding and liberalizing intra-regional trade. When the concept of future intra-regional trade in the region becomes clearer, it is certain that the countries of the region will find ways and means of making the best use of a mechanism of mutual credits for the purpose of growing together. In view of the many complications in the trade picture of the region, the sequence in the ECAFE region will probably be the reverse of what happened in Europe. In the case of the EPU, the payments and credit arrangements preceded trade liberalization, which later became the pillar of European co-operation. Perhaps the unsophisticated mind of Asia will have to wait until trade co-operation has been organized to a considerable extent to realize that a credit mechanism can perform an important, but subsidiary function as grease for the engine of intra-regional trade expansion.

The main problem facing the under-developed countries in the region will remain the foreign exchange shortage for some time to come. If the use of outside currencies in short supply can be reduced to a minimum by increased mutual use of local currencies for the purpose of settling trade balances among the countries of the region, this will undoubtedly constitute an important step towards the solution of the trade problem. Of course, many conditions will have to be fulfilled before some of the regional currencies can be raised to the status of international currencies in the real sense, but even at this stage there is some scope for initial and preparatory arrangements with this objective in view. More importantly, however, the developing economies in the region are expected to feel an increasing need for medium-term credits, especially in connexion with capital goods imports. To the extent that part of the capital goods imported originates from within the region, some kind of medium-term credit arrangements must also be included in any scheme for regional trade co-operation.

CO-OPERATION IN CONNEXION WITH DEVELOPMENT CAPITAL ASSISTANCE

There has recently been some talk about the desirability of an Asian development bank, similar to the Inter-American Development Bank. A special development financing agency for the region is understood to provide the framework in which a greater amount of development funds can be contributed by the countries, both within and outside the region, which are especially concerned with the development of the region. Such an agency, with a more intimate acquaintance of the economic problems and opportunities of the region, would make more efficient use of the funds by the countries in the region possible. There is no doubt that, if such an institution could be established within the region, it would make a substantial contribution to the co-ordinated development of the economies of the region. Since, however, the bulk of the capital funds must come from outside the region at present, and since the impetus for such development must originate largely from the outside world, the idea of an Asian development bank has only an indirect bearing on the question of co-operation among the countries of the region themselves.

Implicit in the proposal of an Asian development bank, however, is the question of the allocation of foreign capital assistance. In the context of regional economic co-operation, therefore, it will not be out of place to ask how, other than by the schemes of trade co-operation and industrial specialization analyzed above, the countries of the region can achieve a more effective utilization of the foreign capital available for the region as a whole.

The main premise of the suggested approach to the problem of development financing is, it should be emphasized, that economic co-operation among the countries of the region will be based on voluntary agreements among themselves, and not on something like dictates by the capital aid-giving countries. The experience in other parts of the world might lead some of the serious analysts of the problem to the conclusion that, in the case of under-developed areas, the best results in promoting regional co-operation could be achieved, if inducements were given by countries outside the region which extend a large amount of financial and technical assistance to the region. They might refer to the fact that, even in Europe, co-operation under the auspices of the OEEC was so smoothly organized at the urging of the United States in giving Marshall aid to Europe. The actual implementation of any co-operative scheme will certainly be greatly facilitated if there is a regional organization which can influence national development policy, say, by means of allocating external assistance. But the economic development of the region is a real partnership business. There must be ample scope for the active participation of independent under-developed countries, on their own initiative, in a joint attempt at economic development of the region, which will be based essentially on the promotion of regional economic co-operation. In other words, what is involved is a kind of development community of Asian nations organized on the basis of voluntary agreements among themselves. In the light of this, co-operation for development in the ECAFE region must acquire a character quite distinct from regional arrangements in the industrially developed areas.

The conditions for this kind of development community in Asia seem to be offered to an increasing extent in the curernt evolution of the world economy. There are already important moves towards the collective organization of development assistance on the part of aid-giving countries. Consortia of lender countries in respect of several under-developed countries, as organized under the auspices of the International Bank for Reconstruction and Development, have made notable progress. A forum in the form of the Development Assistance Group (DAG) was created where lenders come together to consider how the burden of economic development assistance should be shared. When the OEEC takes a new form of the Organization for Economic Co-operation and Development (OECD) this autumn, the DAG is to be reorganized into its Development Assistance Committee (DAC). This move on the part of the lender countries on a worldwide scale involves necessarily the need for taking a broad, and possibly regional, view of allocation of the assistance funds available.

What should be the line of action that the aid-receiving countries are required to take in this situation? To this question, the most appropriate answer has been given by Professor W. W. Rostow, one of the closest economic advisers of President Kennedy, who writes as follows:

> "We must face the fact that a lenders' club is not enough. The borrowers must have a role in this whole process, and they have the possibility and the duty of working together on a self-help basis. Here regional arrangements might prove useful. Excepting the Middle East, there are regional organizations in Asia, Africa and Latin America. These regional organizations ought to consider in some detail what the criteria for the granting of loans might be; they might consider also the role in their region for increased private investment; and they ought to look hard and concretely at the ways in which they might help each other. The self-help tasks of each region will differ, and the people on the spot ought to sort them out."[115]

A lenders' club is not enough. A borrowers' club must also be created, and the primary task of their co-operation should be to help establish sensible standards for joint and efficient development financing. The co-operation of the aid-receiving nations is essential. Insofar as this task is best accomplished at a regional level, taking specific development problems of a particular region into consideration, the borrowing countries of a region must work closely together to make the most efficient use of the assistance available to the region as a whole. Such regional co-operation for development purposes in the ECAFE region can most effectively be conceived in the form of an Asian development community, as suggested.

The kinds of allocation problems that will require the attention of such a community can be exemplified by a recent movement in Africa. As is well known, the European Economic Community has established an Overseas Development Fund to plan the joint development of the African territories of the participating nations. Some of the former and present colonial powers may quite naturally tend to favour the concentration of assistance to territories in which they are interested. There is, however, an important view within the Community that, in the interest of the balanced development of the African continent, it would not be desirable to discriminate against neighbouring territories for that reason alone. It would be necessary to take a broad view in allocating the funds among the territories, and obviously the requirements for, and the feasibility of, economic development in each territory must be considered objectively. The territories themselves would have to co-operate with each other to ensure effective utilization of such dvelopment aid as available.

The same logic applies to the independent nations in Asia and the Far East. Unfortunately, the consortium formula, which seems to have been adopted by the Development Assistance Group, means that one borrowing country has to face a collective body of lenders in each case. Apart from the question of the bargaining position of the borrower, this kind of arrangement is not particularly suited to meet the need, as suggested by Professor Rostow, of arriving at sensible criteria for the equitable distribution of development assistance. A broad regional view of development needs tends to be lost. What is required in this context would be, therefore, a measure of co-operation among the aid-receiving countries of the region. Here, of course, the regional commissions of the United Nations could play an important role. However, the present trend of thought among the aid-giving nations would appear to neglect this possibility altogether. In point of fact the proposal that the regional commissions might be approached with a view to obtaining assistance in co-ordinating development aid operations at a regional level, was defeated at the recent meeting of the Development Assistance Group in Tokyo. However, it would be a perfectly acceptable, and in fact better, alternative, if the borrowing nations of the region could voluntarily come together to agree on the pattern of future development of the region.

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[115] W.W. Rostow, The American Agenda in the Under-developed Areas — The Future of Foreign Aid, a paper submitted to the Conference on University Contacts Abroad, 9 November 1960, American Council on Education, Washington, D.C.

IX. CONCLUSION: REGIONAL CO-OPERATION ON ASIA'S AGENDA

The analyses presented in the preceding pages are not intended to be an academic exercise. The question of regional economic co-operation is today increasingly claiming the earnest attention of policy-makers in the countries of the region in their search for solutions to pressing economic problems in Asia and the Far East. But, to convert an idea into reality successfully, the idea itself must first be clarified. Current discussion of the subject is complicated with so many misconcepts and misunderstandings, and therefore an attempt has been made to establish in a general way the economic rationale and the absolute necessity for regional co-operation against a broad historical and theoretical background. That such co-operation is not only necessary, but practically possible, has been proved, it is hoped, by an analysis of regional trade patterns, of the possibilities of agricultural and industrial specialization, and finally of the financing of trade and development.

The starting point and the basis of these analyses are the need for accelerated economic growth. Regional co-operation is not conceived as a means of perpetuating the existing pattern of production and trade in the region. On the contrary, the process of development entails a series of structural changes to which adjustments must be made constantly. And it has been shown conclusively that the case for regional economic co-operation can be clearly brought out only in this dynamic context of growth.

It is the prime duty of economic policy makers to frame a reasonably long-term policy of economic development, taking into full consideration such structural changes and adjustments as may be required in the future. A special appeal, however, must be directed to economic planners in the countries of the ECAFE region, because planning is essentially a forward-looking type of policy decision. Although policy should be formulated for a long-term objective, it should be emphasized that the decisions required are of an urgent nature. A decision made today largely determines the future pattern of development. From this point of view, it is important to spell out what seems to be implied in the above analysis: regional co-operation, insofar as the basic orientation of the nations' economic policy as a whole is involved, must be such that it culminates in the co-ordination of national development plans. A joint approach to the problems of individual fields, such as trade, agriculture, industry and finance, is certainly important and helpful in cultivating a habit of continuous consultation and co-operative action among the countries in the region. It may thus pave the way for a co-ordination of national economic policies in the over-all sense. However, action in the reverse direction is also possible; a framework for over-all policy co-ordination can be created first, and within this framework further possibilities of co-operation in individual fields can be explored. The present paper is mainly concerned with the question of regional co-operation on a higher level for which the most important practical step is to establish an appropriate framework for over-all co-operative action.

A few countries in the region have already been examining the question of setting up such a framework for economic co-operation with their neighbours. It is now entirely in the hands of those who are responsible for decision-making in economic matters in each of the countries of the region, whether the idea of regional co-operation can be transformed into reality. These are also the men who must know that working together means growing together, that co-operation is an essential factor in aiding the Asian economy to escape from the virtual stagnation into which it may be forced by circumstances.

Asian leaders now increasingly recognize the practical need for regional co-operation to achieve accelerated economic growth. Once the need is recognized, whether the idea becomes practical politics depends upon men's will and action. It has been said that politics is the art of making the best of what is possible. Going one step further, however, we should say that statesmanship consists of changing the conditions in such a way that the range of what is attainable itself is considerably widened. Regional co-operation today is a pressing challenge to economic statesmanship in Asia and the Far East.

FINDINGS OF THE CONFERENCE OF ASIAN ECONOMIC PLANNERS (FIRST SESSION)*

I. PROGRESS AND PROBLEMS IN PLANNED ECONOMIC DEVELOPMENT

The Conference reviewed the progress of development planning and implementation in the ECAFE region during the last decade and observed that, in most countries of the region, the need for planning had been recognized with the result that increasing efforts were being made to secure the effective implementation of economic plans. These plans envisaged the needs and resources of the economy as a whole and placed increasing responsibility on the governments of countries for accelerating economic progress and providing the general design for development in the future. Invariably, the plans embodied both programmes of government investment and proposals for development to be undertaken by the private sector. Planned development was an essential means for achieving a high rate of sustained economic growth and for progressively modernising the economies of countries in the region. In undertaking such development and in improving methods and techniques of planning and implementation, countries of the region could greatly benefit from exchanges of experience with one another and could also draw useful lessons from other regions.

The region was now emerging from a long period of stagnation. Some representatives expressed dissatisfaction with the less than 2 per cent rate of growth in *per capita* real income achieved during the past decade. However, the Conference noted that the rate of increase in income over a short period could not be used as the sole indicator of growth. The building up of social and economic overheads, the stepping up of the rate of investment, and the laying of foundations for industrialization were no less important, although their full impact on the rate of growth might not be immediately apparent. In some countries, changes in the terms of trade had also influenced the rate of growth during the past decade.

In the densely populated countries of the region, the creation of sufficient employment opportunities presented a very difficult problem, especially since, as recent censuses had revealed, the rate of population growth in several countries of the region had been greater than that indicated by earlier statistics and estimates. Meanwhile, in addition to larger under-employment accompanied by increasing population influx into urban areas, there had been an increase in visible unemployment. Hence, in several countries of the region, expansion of employment was considered as an essential objective of planned development.

Capital formation was a basic element in building up the capacity to grow. Some representatives pointed out that even a high rate of investment in certain years, as had occurred in some export economies, did not guarantee continuous economic growth, so it was essential that high rates of capital formation should be maintained over a period of years and incorporated in productive investments.

The Conference emphasised that if capital investment was to be fully productive it had to be accompanied by efficient management and labour. Improvement in the productivity of labour and in the efficiency of management contributed substantially to a larger output, without increase of capital. Thus, the existence of trained personnel and the achievement of scientific and technological improvements were also basic elements in building up the capacity to grow. There was therefore an urgent need to speed up technical education and to strengthen scientific and technological research. It was felt strongly that, in the effort to modernize their economies, while the under-developed countries might for the time being be able to rely to some extent on the adaptation of technology already developed in the advanced countries, expenditures on research should receive progressively increasing emphasis in the development plans. Research and scientific institutes of the highest standing should be established within the region itself with such assistance as advanced countries could give.

It was recognized that, in addition to initiative and leadership on the part of the government, the success of planned economic development depended largely on the enthusiasm of the people. There could be no real response to planning unless it was able to command the enthusiasm and support of the masses by improving their conditions and by reducing inequalities. However, in order to achieve this aim, social and institutional changes, including land reform, were essential. To be effective, such changes would require not only legislation, but also public support and suitable administrative machinery and measures for implementation.

Community development was a primary means for enabling the rural population to participate in bringing about technological and other improvements in agriculture and rural economy at the local level. In order to improve agricultural productivity, many countries of the region had allocated substantial sums for investment in the construction of irrigation facilities and in the supply of chemical fertilizers, better seeds and other agricultural requisites. But such basic facilities could not be put into effective and efficient use, unless the cultivators were fully convinced of their usefulness and unless there were adequate extension services.

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* Reproduced from document E/CN.11/571 in which the full text of the report, including procedural matters, recommendations on the Commission's work programme, and annexes containing the lists of participants and documents, statements of the Prime Minister of India and the Executive Secretary of the Economic Commission for Asia and the Far East, agenda and annotated agenda, are available.

The urgent need for improving agricultural productivity and the inter-dependence between the development of industry and agriculture were widely recognized. Several representatives emphasised that industrialization and other developments associated with it constituted the basic and long-term solution to the problem of poverty, especially as *per capita* productivity in industry is generally higher than in agriculture.

Industrialization had been in progress in many countries of the region during the past decade; in the initial stages it had frequently taken the form of substitution for the import of finished goods. However, with rising domestic demands, the increasing activity of some countries in establishing and expanding import-replacing industries had resulted in large quantities of fresh import requirements, such as raw materials, spare parts of machines, etc. While industrial development was thereby stimulated, the lack of foreign exchange sometimes prevented such requirements from being fully met, thus giving rise to under-utilization of capacity. Some representatives urged that, when an under-developed country undertook industrialization by means of import substitution, care should be exercised in devising and encouraging the right type of import-replacing industries, having due regard to the material resources and skills available. This subject required thorough study, whereby the ECAFE secretariat could make valuable contributions to economic development planning in the countries of the region.

Foreign exchange availability had to be augmented by increasing exports. Some countries had found that, in the past, the export sector had not been well integrated in the development plan and that awakening to the need for an export drive and its incorporation in the plan would involve basic policy decisions as to how to restrain domestic demands and realize surpluses for export. Two important factors in export promotion which were largely outside the control of the under-developed countries were changes in world demand and the commercial policies followed by industrialized countries. Regarding these factors some representatives from countries of the region expressed their concern.

In the countries of the region the broad allocation of resources generally followed the investment priorities of their plans of development. These priorities were supported by appropriate economic policies — fiscal, monetary, etc. In varying degrees the use of the price and market mechanism might be supplemented by physical allocations of selected material resources, and sometimes by other direct controls as well. In general, a proper balance between these various means of allocating resources had to be maintained in the process of planned development, and necessary adjustments had to be made from time to time.

Among the scarce factors of production, the question of economising in the use of capital was specially mentioned. It was suggested that the conditions prevailing in the region, the priorities for development adopted in national economic plans and the need to make adequate use of available manpower, all required that consideration should be given to the terms on which capital was provided. This would influence the selection of industries to be developed as well as the choice of techniques. These questions were of basic significance for planning both in the public and private sectors, and it was suggested that the ECAFE secretariat should arrange for special studies in regard to them. It was also proposed that means be devised for making economies in the use of foreign exchange by increased use of domestic resources, and for ensuring that the available foreign exchange resources be utilized to the maximum advantage of the economy. In this connexion the importance of careful budgetting of foreign exchange was stressed.

It was recognized that, apart from incentives and other measures taken to stimulate industrialization in countries of the region, greater attention had to be given to reduction of costs and to the raising of productivity. Careful calculation of the costs and benefits of individual projects at the time of selection and proper evaluation of their performance were basic requirements for this. In addition, efficient budgeting and management of enterprises were indispensable.

The Conference noted the relationships between the long-term plan, the medium-term plan for periods such as four or five years, and the annual plan or programme. The long-term plan provided the broad direction and perspective for the development of the economy into which the medium-term plans had to be fitted. Its importance increased as the economy developed and became more complex. It had to be kept under review from time to time. At each stage in the implementation of the medium-term plan, a view had to be taken of the likely developments beyond the plan period. In this way planning and programming had to become continuing processes. The annual plan was undertaken within the general framework of the medium-term plan. It was closely reflected in the annual budget and was related to the annual survey of economic conditions and prospects; moreover, it provided the principal means for making adjustments and taking advantage of new economic and technical possibilities. It was important that techniques of annual planning should be developed further so as to take more fully into account the current conditions and requirements of the economy as a whole, including both the public and the private sectors.

Owing largely to inadequate domestic saving and the consequent resort to inflationary financing, it had generally been difficult for developing countries to keep prices stable. The Conference observed that price changes affected the real income of different groups of people differently and that policies designed to safeguard the living standards of the bulk of the population were essential for enlisting efforts in support of development plans. Some representatives particularly mentioned the desirability of ensuring certain minimum prices for agricultural commodities. It was observed that austerity and restraint in the growth of consumption at various key points would be necessary, especially in the earlier stages of development, and that suitable policies and measures must be evolved.

The Conference noted that generally the proportion of tax revenues to national income was relatively low. Although in several countries the proportion had increased in recent years, in the region as a whole this increase had been relatively insignificant. Therefore it was felt that larger efforts towards raising tax revenues were an essential condition of more rapid development. At the same time, it was recognized that an increase in tax receipts depended upon growth in production and acceleration of the processes of development. In view of this inter-dependence, it was suggested that the problem of securing a rise in government tax revenues should be dealt with as a part of the larger question of mobilising the savings within the economy and that these called for simultaneous action at many points.

In considering the question of raising government saving, some representatives noted that savings in the major economic sectors, namely, household, corporate, government and foreign aid or investment were inter-related. Therefore, in designing methods for increasing government savings, the possible effects of these methods on savings in the other sectors had to be carefully assessed and taken into consideration. However, it should be borne in mind that measures for government savings mobilization could also lead to changes in the form of savings, particularly in the household sector, and thus result in a better utilization of limited financial resources. It was also suggested that the development of financial institutions and of saving media to meet the divergent needs of various groups of savers and investors was essential for increasing savings and investment, remoulding their existing patterns, and channelling savings into productive investment. It would be necessary for each country to consider, with reference to its conditions, the various incentives, including appropriate rates of interest, which should be provided for securing increased savings.

The Conference emphasised the importance for countries of the region of their making the utmost efforts to raise their own resources for development. However, it was felt that for some time to come domestic resources would have to be adequately supplemented by external resources, including assistance from international agencies and individual countries as well as private foreign investment. It was imperative that the advanced countries should give urgent consideration to the liberalization of their trading policies in relation to developing countries, so that the latter could progressively increase their own foreign exchange earnings from the exports of both primary commodities and manufactured goods.

The Conference noted that external assistance to under-developed countries was becoming available in larger measure and on a broader basis than hitherto. However, it was pointed out that, to be fully beneficial, such assistance must be ensured for several years in advance so as to make for smooth and continuous development in accordance with national economic plans. It was necessary that assistance should be available for meeting the requirements of the investment programme, for providing support to the balance of payments and especially for ensuring the adequate utilization of existing capacities. As was now coming to be recognized, the repayment of loans and interest charges tended to place increasingly heavy burdens on the economies of developing countries. In the interest of development, it was essential that foreign loans should become available at low rates of interest and should be repayable over long periods. Some representatives from more advanced countries urged that closer association between their agencies and the planning and other organizations of individual developing countries would make for greater appreciation of their mutual problems and requirements. It was noted that such co-operation was being increasingly developed, and that liberal assistance by advanced countries at the present stage of economic development in the region would be of mutual benefit to all concerned and would promote the growth of international trade and of the world economy as a whole.

During the course of discussion, attention was drawn to the extent to which developing countries were being handicapped in planning by lack of statistical data and other economic information. The Conference considered that urgent action should be taken by all the countries of the region to improve the quality of available statistical and other information, to enlarge its coverage and to ensure its systematic use both in planning and in reporting on plan fulfilment. Facilities for the training of statisticians required considerable expansion. It was noted that some steps in these directions had been already taken. In this connexion, the ECAFE Executive Secretary recalled the various measures newly put into practice under the auspices of ECAFE with a view to improving the statistical data and economic information available to the countries of the region. These included the work of the Conference of Asian Statisticians, working groups and seminars on capital formation statistics, sampling methods and industrial statistics, workshops for budget reclassification and management etc., and the advisory services on the designing and taking of the 1960 World Census of population and housing and agriculture which had been jointly rendered by the United Nations Statistical Office and the ECAFE secretariat.

II. ADMINISTRATIVE MACHINERY FOR PLANNING AND IMPLEMENTATION

In reviewing the progress of planning in the region, representatives from all countries stressed the importance of providing adequate administrative machinery for ensuring the success of development plans. It was realized that planned development involved considerable changes in the nature and scope of the functions undertaken by the government and called for extensive measures to strengthen and, if necessary, reorganize the existing machinery at various levels. The administrative machinery had to carry out both its traditional tasks and the new tasks associated with rapid economic development and modernisation of the economy. It was essential to improve upon existing methods and procedures, to strengthen statistical and economic services and to extend facilities for research. Finally, for carrying out the plans, it was vital that the administrative machinery should be responsive to public opinion and that widespread public participation, co-operation and enthusiasm should be secured.

The general character of the machinery for planning would be largely determined by the pattern of the economy of the country concerned, its existing administrative structure and the scope and objectives set for planned development. The nature of the administrative tasks and the range of decisions to be taken differed according to the role assigned in the scheme of development to the public sector relatively to that of the private sector. In the countries of the region, plans provided in varying degrees for the development of the public sector as well as of the private sector; and the general prevailing pattern was one of mixed economies.

The Conference considered whether the effective implementation of an economic plan might be assisted by giving it the form of a law. The general view was that such action might not be necessary, although appropriate legislation would have to be undertaken for specific purposes. The Conference felt that there would be considerable advantage in the plan being presented to the legislature for consideration and general endorsement. In particular, this would help in creating wider understanding and enthusiasm for the plan and in securing greater continuity of implementation. It would also be an advantage, wherever possible, to associate the legislature with the formulation of the plan at different stages.

The Conference agreed that the planning agency should be generally an advisory body functioning within the structure of the government, and that its chief functions should be:

(*a*) to assess natural, human and capital resources;

(*b*) to formulate plans of economic development—long-term, medium-term and annual;

(*c*) to report on the progress of the plan and the development of the economy from time to time and to undertake evaluation of the working of the plan;

(*d*) to suggest the nature of the machinery needed for securing the implementation of different aspects of the plan; and

(*e*) to indicate factors which may tend to retard economic development and make such recommendations as may be necessary for the successful execution of the plan.

As an advisory body, the planning agency had to be associated closely with the consideration of important questions of policy at the highest level, so as to be in a position to offer its advice to the government and to the agencies responsible for implementation. An essential function of the planning agency was to assist in co-ordinating policy and action, specially where several departments were concerned. The planning agency had also to keep in close touch with the actual implementation of development projects and programmes, with the help of the appropriate departments and organizations, and to make its objective appraisals and suggestions available to them. The responsibility for implementation and supervision necessarily rested with the executive departments and agencies of the government.

The Conference agreed that, to ensure the successful operation of the plan and to provide for effective assistance to the cabinet, the planning agency should be given a high status within the government. In a number of countries of the region, this object had been achieved through the prime minister or the head of the government serving as the chairman of the planning organization as well as through the high-level composition of the planning body. There were also instances in which a senior member of the cabinet had been made responsible for the work of the planning agency.

In the earlier stages, a beginning had been made in some countries by setting up a planning unit as part of an existing organization such as the cabinet office or the ministry of finance or economic affairs. As a rule, however, the character of the work entailed in planning was complex and called for personnel with special training. To secure integrated development and continuity in planning, it would, therefore, be desirable to have a planning agency as a separate and adequately equipped unit, but functioning in close co-operation with existing units.

By its very nature, planning involved continuous and co-ordinated action on the part of the entire machinery of the government. The planning agency had to maintain close and continuous contacts with the various departments of the government, especially those directly connected with economic activities; this could be done, for instance, through discussions between the planning agency and the departments concerned; by the setting up of joint study groups and the establishment of planning units within the executive departments; by the exchange of information, data and progress reports; by co-ordination between the different agencies responsible for statistical and economic information, and by interchange of personnel between the planning agency and the executive departments. It was particularly important that the planning agency should maintain close liaison with the ministry of finance which prepared the annual budget in the light of the annual plan of development. In countries of the region, especially those which had a federal structure, the plans provided for development both at the national level and at the level of states, provinces or regions. The latter invariably required their own planning units. The national planning agency had to keep in constant touch with these units and to assist in the formulation and implementation of regional plans. Appraisal of the plans by the planning agency had to encompass plans at all levels.

The planning agency would require a considerable body of statistical and other data. The statistical work of the planning agency was connected with the use of overall estimates for the economy, analysis of relationships between different sectors, consideration of changes in conditions of demand, supply, etc., and assessment of plan fulfilment. Agencies responsible for the collection of statistics had increasingly to orient their work in order to meet the requirements of planning. The planning agency could derive much help from universities and other research institutions in the study of fundamental economic and technical problems and surveys as well as in the examination of important questions of economic policy.

As had been pointed out, the planning agency had to function close to the highest level in the government. It was therefore important that it should be composed of persons with experience, knowledge and judgement. In some countries of the region, it was considered necessary that different areas should be adequately represented within the planning body and that, depending on the task to be undertaken, there should also be provision for associating the principal interests affected by planned development. The size of the planning body would necessarily depend upon the conditions prevailing in different countries.

Planning was a continuous process and constant adjustments in the plans as formulated had to be made from time to time. The Conference therefore stressed the need for an adequate system for periodically reviewing progress in the execution of various projects and programmes and for carrying out such adjustments in the plans as might be required. Reviews of progress in respect of the plan as a whole had to be prepared by the planning agency, while reports dealing with different sectors had to be drawn up by the departments or agencies responsible for them. Adjustments in the plan had to be proposed from time to time by the planning agency in consultation with the appropriate departments. The intervals at which reviews of progress should be prepared had to be determined by each government in accordance with its requirements. As a general rule an annual review was required both for the objective appraisal of the working of the plan and for facilitating further planning. In the course of the year, the progress of major projects and the more critical programmes of development might have to be reviewed at more frequent intervals, such as every quarter or half-year. For their own administrative purposes, departments concerned with individual programmes or projects would generally need to follow up the progress of important programmes within their field at even shorter intervals, such as a month or a fortnight. The planning agency would undertake its appraisal in the main on the basis of reports from departments and project authorities. But, in selected cases, it might find it necessary to depute teams of officials for the first-hand study of problems in consultation with the project authorities.

In view of the vital importance of creating public enthusiasm for planned economic development, the planning agency had to develop extensive arrangements for consultation with and advice from different sections of the community, such as industrial, agricultural and other organizations. It was also essential that scientists, economists and specialists in different fields should be continuously associated with the formulation and appraisal of development plans. The Conference felt that it was essential to ensure wide publicity for development plans through all available media. The people should be actively associated with the formulation and implementation of plans, especially at the local level. Much work was being done in the countries of the region for securing public participation and co-operation in the plans. Broad-based popular leadership in each area could do much to assist economic and social development. Countries of the region could learn a great deal in these directions from one another's experience.

In the course of discussion, several representatives of countries of the region emphasised that deficiencies in the administrative machinery constituted a major obstacle to the effective implementation of development plans. The reform of the administrative structure, its strengthening and reorganization, the enforcement of efficiency and integrity at every point, improvements in administrative procedures and the extensive delegation of financial authority had to be carried out urgently if the administration as whole of each country was to be fully geared to the enormous obligations which planned development placed upon it.

III. SCOPE FOR REGIONAL ECONOMIC CO-OPERATION

The Conference noted that, at its 16th session, the Economic Commission for Asia and the Far East had considered questions relating to regional economic co-operation for development of trade and industries; it had recommended, among other things, that the countries of the region should explore the possibilities of promoting economically sound regional co-operation as a means of stimulating economic development in the area. It was pointed out that a number of projects involving co-operation between countries of the region had already been initiated, such as the Mekong Project, the Asian Highway, the Joint Aerial Survey, and intra-regional trade talks. Groups of countries within the region had also felt the need of co-operating for various economic purposes. It was realised that greater co-operation between countries of the region would be in conformity with a general trend already in evidence in other regions and would help to accelerate economic progress.

Several representatives of countries in the region recognized that, until recently, development plans had been formulated with reference to the conditions and requirements of individual countries, and that there was need for greater consideration of the bearing of these plans on one another and of the possibilities of mutual co-operation which they might offer. All the countries of the region were seeking to accelerate their rate of economic growth and to raise the living standards of their people. In their efforts, they were confronted in varying degrees by common problems, such as the need for stable and reasonable prices for primary commodities, the need for larger export earnings, the need for increasing imports of capital goods and the need for external resources to speed up their development. As the various national development plans progressed, they might in turn call for certain adjustments in the economies of individual countries. In some measure, these adjustments might be effected to mutual advantage if the prospects of economic development in the countries concerned could be visualised over a period of years in advance and if the progress achieved in different countries could be reviewed jointly from time to time from the wider regional viewpoint.

Taking a long-term view and considering the existing low levels of *per capita* income, the Conference felt that it would be in the common interest of developing countries in the region to take advantage of such economies of scale and possibilities of intra-regional division of labour as might promote the growth of the individual economies as well as the economy of the region as a whole.

It was appreciated that the present national markets of several less developed countries in the region might not be wide enough to obtain the full economies of large-scale production in many branches of industry. This applied to smaller countries and to a lesser extent to larger countries with comparatively low levels of income. There should be scope, therefore, for co-operation between different countries in the development of industry. In particular, some of the smaller countries might wish to co-operate in enlarging the markets for the products of industries to be established through mutual collaboration. As they developed, countries within the region especially dependent on the export of agricultural and other primary products would continue to require markets for them during the process of increasingly diversifying their economies. At the same time, countries in the region with rising industrial output would be progressively able to supply a larger proportion of the requirements of the region for machinery and other manufactured goods. Thus, in the dynamic context of the various developing economies of the region expanding steadily and simultaneously towards higher levels, progressively greater possibilities of mutual co-operation could be realized in industrial and agricultural production, in trade and transport, and in other fields as well. Thereby not only could the economies of individual countries develop more rapidly, but also the economy of the region as a whole could be considerably strengthened.

As recent developments in the industrially advanced regions had shown, under current conditions, both economic and technological factors pointed toward economic co-operation on a larger scale. Within the ECAFE region, developing countries were inevitably compelled to resort to import substitution as a means to industrialisation. In view of the relative shortage of foreign exchange and the need to secure capital and other development goods from the more advanced countries, imports from countries within the region were liable to be curtailed. Moreover, when applied on the basis of narrow national markets, the policy of import substitution was itself frequently subject to the limits of economic and technological feasibility. Thus, even from broader considerations, the need for a regional approach was fully apparent.

In giving effect to intra-regional co-operation, there were obvious difficulties for which solutions would have to be found through careful study and mutual consultation. For instance, the economies of different countries were at varying stages of development and each of them had its own particular conditions and problems. In some densely populated countries, the issue of unemployment loomed large and development plans had to be formulated accordingly. Some countries were highly dependent on the export of a limited range of commodities which were exposed to serious fluctuations in prices, largely due to external factors. As had been pointed out, almost all countries of the region were in need of considerable economic aid which, in turn, influenced their trade patterns. Political and other conditions had also to be taken into consideration. Even so, the need remained to achieve an overall perspective and a broad common approach to the development of individual countries and of the region as a whole, so that the benefits of co-operation could be widely and equitably distributed.

In evolving feasible proposals for economic co-operation between countries of the region, planning agencies were in a position to make an especially valuable contribution. Thus, at suitable intervals there could be exchanges of information between them concerning national development plans. The significance of the plans for other countries could be considered more fully than in the past both by the countries concerned and, on a broader basis, by the ECAFE secretariat. The secretariat could also assist in joint studies of specific problems of common concern and of possibilities of economic and technological development of interest to more than one country. As in Western Europe, efforts could be made to introduce greater uniformity in the terms and concepts employed and in the presentation of essential statistical and economic data, so as to provide for a larger measure of uniformity among them. The individual countries and the ECAFE secretariat could also explore ways of increasing intra-regional trade and of developing export possibilities for the products of the region especially in the advanced countries, including consideration of conditions and factors governing trade between the under-developed and the advanced economies. Finally, since co-ordination between plans of economic development of countries of the region must be conceived in terms of accelerated economic growth throughout the region, it would be desirable for the ECAFE secretariat, in co-operation with the planning agencies in the region and the appropriate United Nations agencies, to undertake the preparation of projections of economic growth over the next 10 to 15 years in each of the countries and to present the perspective of economic development for the region as a whole. This would also provide useful guidance to the individual countries and assist them in the further consideration of their common problems. In pursuance of these aims, arrangements should also be made to enable the ECAFE secretariat to serve as a clearing house of information on development plans and problems concerning individual countries of the region.

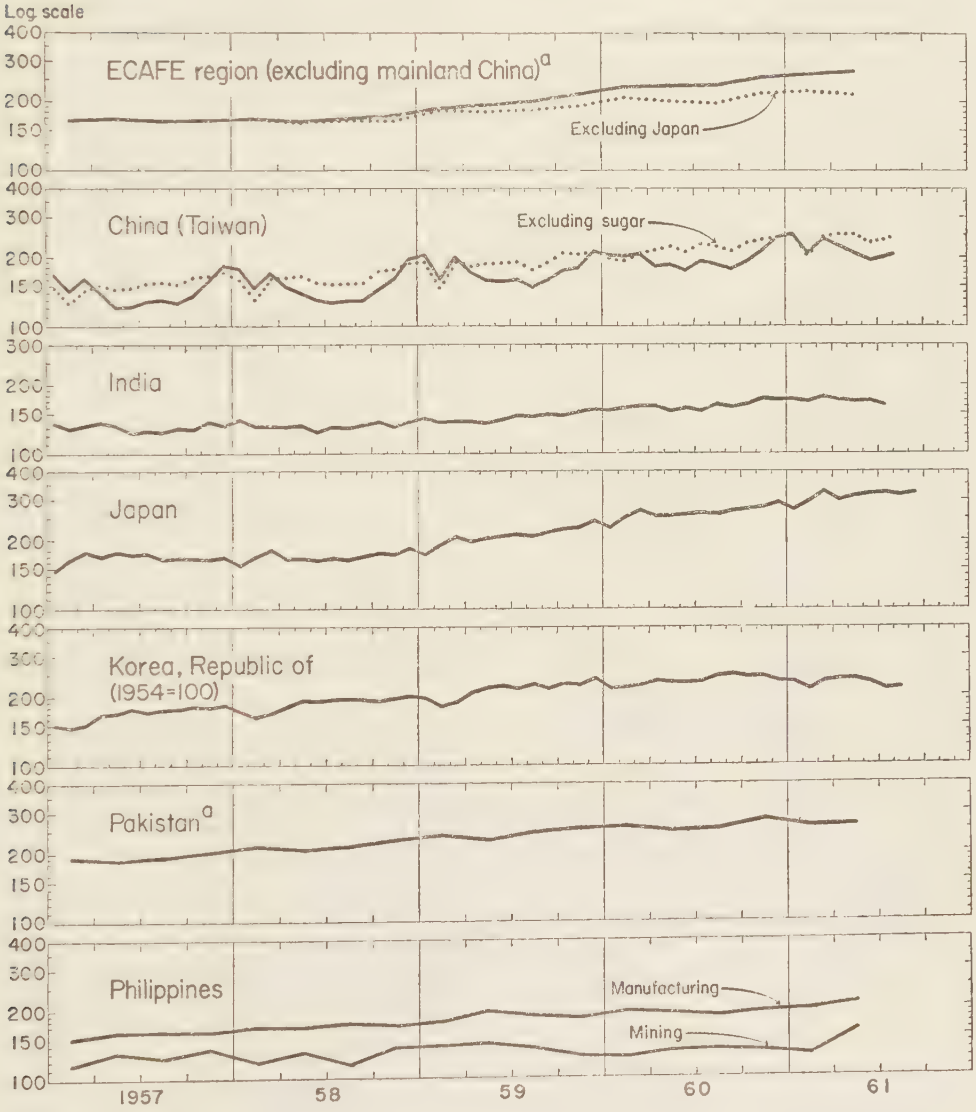
Since the export-based capacity to import was one of the limiting factors for economic growth in many primary producing countries in the region, the Conference devoted considerable attention to the problem of instability of primary export markets. It was felt that some arrangements of a regional character, especially among primary producers of the region, could make a substantial contribution to stabilizing the export markets for important primary products of the region and securing fair prices for them. Possibilities of broader world arrangements, including major consumers as well as major producers of those products, would also be examined. In working out specific schemes of trade co-operation, including stabilization schemes, intensive studies would be required at the expert level, while broad policy decisions would have to be taken at the highest governmental level. The ECAFE secretariat was requested to continue its studies on the practical steps needed for increasing intra-regional and inter-regional trade.

The Conference noted that, to give effect to the various steps recommended above, it would be necessary for the ECAFE secretariat, in co-operation with the countries of the region, to undertake studies of national development plans and their regional implications. The Conference further noted that there would be need for suitable machinery or a forum to assist the planning agencies of individual countries in promoting regional co-operation in formulating and reviewing national development plans and in considering possibilities of economic development in the region as a whole. The Conference requested governments of countries of the region to consider steps for achieving greater regional co-ordination in plans for economic development.

INDUSTRIAL PRODUCTION

Rising industrial output is reported for the ECAFE region as a whole (excluding mainland China) of which only six countries compile monthly or quarterly indices of industrial production. The rate of growth, however, slackened from 21 per cent for 1960 to 15 per cent in the first half of 1961 (as compared with the first half of 1960). Japan showed the biggest gains; its index rose from 261 in 1960 to 303 in the first half of 1961. The fastest growing industries in the region were in the metals group; textiles, on the other hand, after recovering from the 1958 recession, began to turn down again in the first half of 1961.

(1953=100)

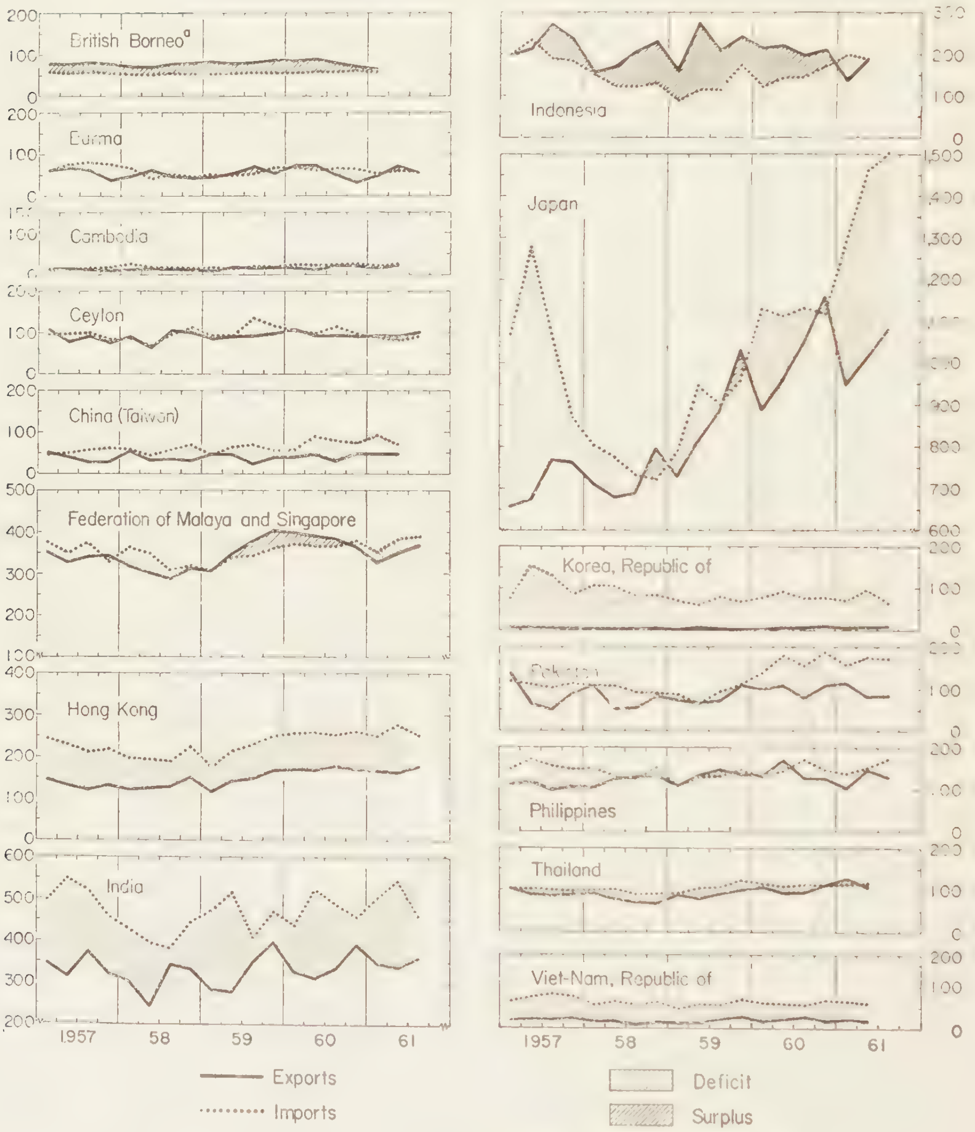


a. Mining and manufacturing.

FOREIGN TRADE

The most striking change in foreign trade in the first half of 1961 was a big upsurge of Japan's imports while its exports fluctuated and made little progress. Previous small export surpluses for Indonesia and for the Federation of Malaya and Singapore turned into small deficits. British Borneo, Burma, Ceylon and Thailand were the only countries to achieve export surpluses, but the position of deficit countries other than Japan did not change significantly and would continue to be largely met by foreign assistance.

(Million US dollars)



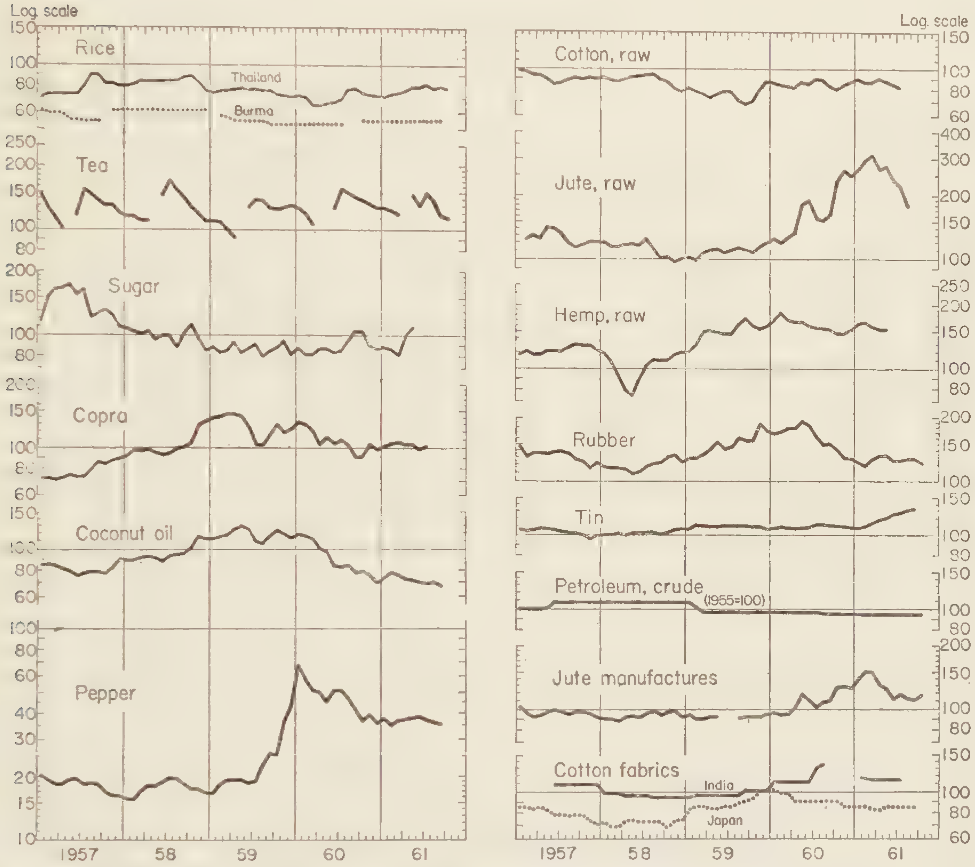
a. Total foreign trade of Brunei, North Borneo and Sarawak, including trade between these territories.

CURRENT ECONOMIC INDICATORS

COMMODITY PRICES

Jute price, which had risen steeply in 1960 because of poor crops, fell rapidly after February 1961 although they are still well above the 1959 level. With increased activity in the industrial countries in 1961, the substantial fall in rubber prices in the second half of 1960 was arrested and tin prices rose. The price of rice has also risen in spite of the good harvests, partly because the agricultural setback in mainland China has changed it from the world's second largest exporter of rice to a substantial importer of cereals, and partly because domestic demand has risen in most ECAFE countries. The price of coconut oil and pepper continued to drift downward. There were lesser changes in the prices of other commodities except sugar.

(1953=100)



Note: The following specifications apply to the commodities listed in this Chart:

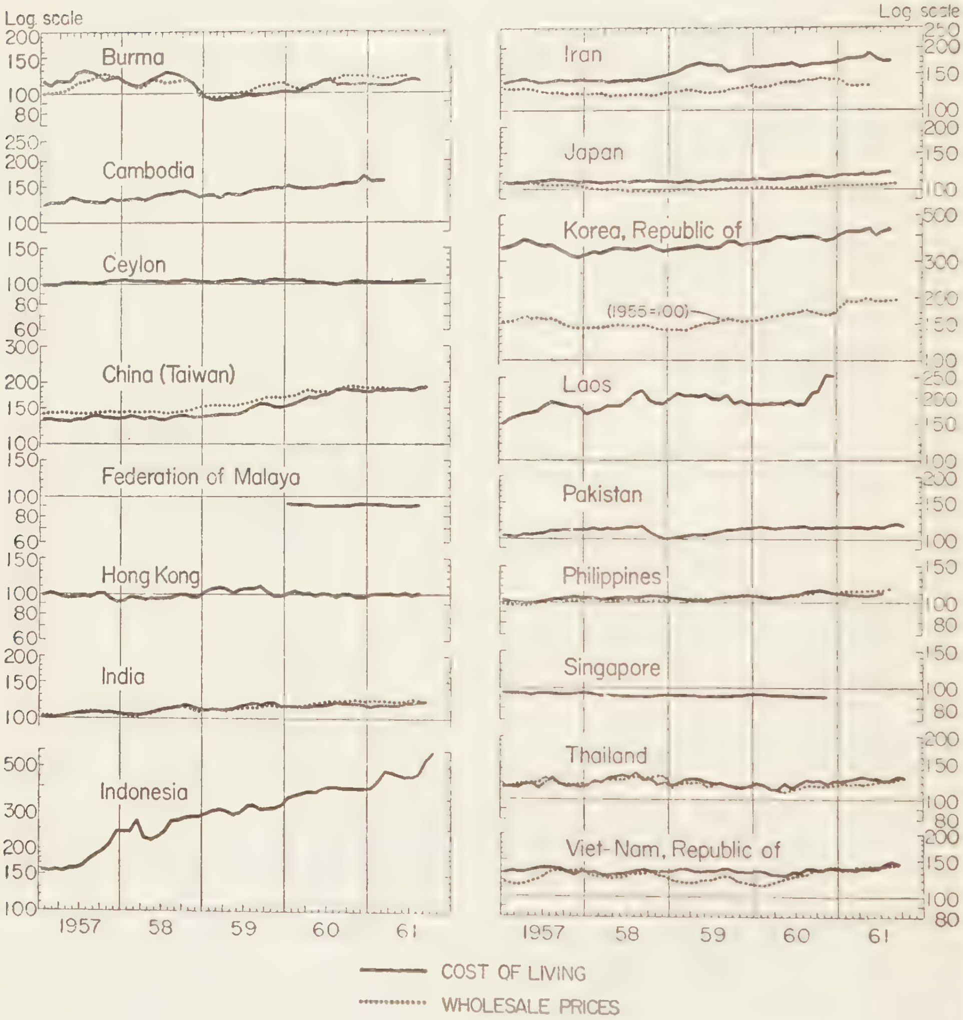
Rice:	**Burma:** Average of export contract prices f.o.b., white rice, No. 1 small mills special ngasein. **Thailand:** Export price f.o.b. Bangkok, white rice, 5% broker.
Tea:	Export price at Calcutta auctions, leaf, all types. Beginning 28 September 1958 excludes excise duty applied to exports varying from 4 to 35 naye paise according to district of production.
Sugar:	Average of all kinds, f.o.b. Taiwan ports.
Copra:	Wholesale price, resecada, Manila.
Coconut oil:	White, naked, wharf delivery, Colombo market price.
Pepper:	Average wholesale prices of Black Lampong at Singapore.
Cotton, raw:	289 F Punjab SGF, Karachi, local prices including export taxes.
Jute, raw:	Average wholesale prices, jat white, bottom, Narayanganj.
Hemp, raw:	Abaca; domestic/export price at Manila, Manila hemp, grade G.
Rubber:	R.S.S. No. 1, buyers' midday prices, f.o.b. Singapore.
Tin:	Monthly average of daily prices, Singapore-ex-works.
Petroleum, crude:	Export price f.o.b. Abadan, excluding local port or government charges, Iran heavy/medium 31.0-31.9° API gravity.
Jute manufactures:	Domestic/export price at Calcutta, hessian cloth, 10½ oz., 40".
Cotton fabrics:	**India:** Wholesale prices of grey standard shirting 35" × 38 yds., Bombay, prior to 1960; for 1960, dyeing grey standard shirting 35" × 38 yds., Bombay; since January 1961, modern mills-grey shirting-923-sheeting 34" × 40 yds., Bombay. **Japan:** Export price f.o.b., heavy shirting, s/2003, grey, 38".

CURRENT ECONOMIC INDICATORS

PRICES

Prices were stable, or rose moderately, in most countries of the ECAFE region in the first half of 1961. This trend has been associated with favourable harvests, although budget deficits continued to exert an upward pressure. The most noticeable example of the latter has been provided by Indonesia, which had a rather sharp rise in money supply and prices.

(1953=100)



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UNITS AND SYMBOLS EMPLOYED

Unless otherwise stated "tons" relate to metric tons, and "dollars" relate to United States dollars.

The following symbols have been used throughout:

* = 12 months beginning 20-23 March of the year stated.
‡ = 12 months beginning April of the year stated.
† = 12 months ending September of the year stated.
ø = 12 months ending June of the year stated.
Mn = million.
I, II, III, and IV for quarters of years.

. = not applicable.
... = not available.
— = nil or negligible.
r = revised figures from this issue.
Figures in italics are provisional or unofficial.

Substantial breaks in the homogeneity of a series are indicated either by a horizontal line across the column or by vertical double lines in a row of figures.

SOURCES

To ensure comparability, data compiled or published by the United Nations Statistical Office have been incorporated wherever feasible; material supplied by governments, publications of governments, of the United Nations specialized agencies and of international commodity study groups have been used as additional sources.

1. REGIONAL STATISTICAL SERIES

Annual and quarterly figures

	1953	1954	1955	1956	1957	1958	1959	1960	1960			1961	
									II	III	IV	I	II
POPULATION *(Midyear, million)*													
Including mainland China	1,388	1,412	1,435	1,464	...	...	...	...	...	.	.	.	.
Excluding mainland China	806	817	826	843	856	868	885	899	.	.	.	.	.
AGRICULTURAL PRODUCTION[a]													
Index of agricultural production *(1952/53—1956/57=100)*													
All commodities	98	100	103	107	106	111	114	118	.	.	.	.	.
Food	99	100	103	107	105	111	116	119	.	.	.	.	.
Per capita food	100	100	102	104	101	105	107	109	.	.	.	.	.
Cereals *(million tons)*													
Rice (paddy)	111.8	104.7	113.1	119.5	110.0	124.0	130.9	137.7	.	.	.	.	.
Wheat	15.5	17.7	18.4	18.6	19.8	17.8	20.6	20.7	.	.	.	.	.
Maize	7.1	7.9	7.1	8.0	8.2	9.4	9.9	10.1	.	.	.	.	.
Millet and sorghums	18.3	18.2	15.6	15.4	16.6	18.0	17.0	17.4	.	.	.	.	.
Starchy root crops *(million tons)*													
Potatoes	5.8	5.8	5.9	5.9	6.8	7.2	6.8	...	.	.	.	.	.
Sweet potatoes and Yams	12.8	13.3	15.3	15.7	15.0	15.5	16.1	...	.	.	.	.	.
Cassava	11.8	12.8	12.4	12.3	13.3	14.6	15.9	...	.	.	.	.	.
Oilseeds *(million tons)*													
Groundnuts (in shell)	4.2	5.1	4.7	5.2	5.5	5.9	5.1	5.5	.	.	.	.	.
Copra	2.3	2.6	2.6	2.8	2.7	2.2	2.2	2.5	.	.	.	.	.
Tea *(thousand tons)*	553	615	634	634	651	660	650	602	149	197	166	79	163
Tobacco *(thousand tons)*	645	720	771	825	835	761	804	830	.	.	.	.	.
Fibres *(thousand tons)*													
Cotton (lint)	1,178	1,367	1,273	1,314	1,371	1,305	1,162	1,446	.	.	.	.	.
Jute and allied fibers	1,480	1,650	2,280	2,260	2,120	2,400	2,090	2,000	.	.	.	.	.
Natural rubber *(thousand tons)*	1,640	1,735	1,815	1,771	1,783	1,799	1,923	1,822	437	447	496	440	458
INDUSTRIAL PRODUCTION													
Index of industrial production[b] *(1953=100)*													
Mining and manufacturing	100	110	123	145	165	168	199	240	235	237	258	266	272
Mining	100	100	116	133	149	150	157	173	168	173	185	180	183
Manufacturing	100	111	124	147	168	171	205	250	244	246	268	278	284
Food beverages, tobacco	100	100	115	124	130	135	141	153	133	128	155	209	154
Textiles	100	111	122	137	144	137	152	167	166	168	173	165	169
Paper and paper products	100	114	131	151	168	170	210	245	238	249	261	266	282
Chemicals, petroleum and coal products	100	113	134	159	184	192	218	257	256	255	271	265	276
Non-metallic mineral products	100	115	120	140	162	168	192	226	225	223	243	234	240
Basic metals	100	110	119	140	155	149	196	254	247	260	277	279	306
Metal products	100	116	126	177	231	244	336	471	456	483	528	558	606
Coal *(million tons)*	88.5	85.3	86.9	92.8	103.1	103.2	104.4	114.0	28.1	27.6	30.8	32.6	29.4
Iron ore *(million tons)*	7.70	8.41	8.91	10.34	11.55	12.09	15.73	20.84	5.29	5.59	5.15	5.48	6.04
Tin in concentrates *(thousand tons)*	104.4	109.9	109.6	108.5	104.1	73.1	72.7	[illegible]	[illegible]	13.2	[illegible]	[illegible]	22.5
Petroleum, crude *(million tons)*	17.59	20.18	34.49	46.00	58.50	63.75	71.40	78.41	18.59	19.46	21.40	20.15	21.42
Salt *(thousand tons)*	5,246	4,692	5,023	5,553	6,810	7,604	6,696	6,426	...	...	...	...	...
Sugar *(thousand tons)*	4,192	3,979	4,800	4,931	5,131	5,292	5,963	6,140	847	569	1,545	...	...
Cotton yarn *(thousand tons)*	1,225	1,351	1,386	1,497	1,597	1,487	1,596	1,698	415	429	445	429	443
Cotton fabrics *(million metres)*	7,545	8,153	8,188	8,889	9,268	8,259	8,441	9,003	2,251	2,228	2,342	2,242	2,440
Jute manufactures *(thousand tons)*	942	1,013	1,145	1,268	1,209	1,255	1,321	1,368	349	349	331	330	292
Paper excluding paper board *(thousand tons)*	1,231	1,367	1,575	1,758	1,967	2,029	2,489	2,844	693	725	759	778	814
Vegetable oils *(thousand tons)*	879	969	1,084	1,150	1,317	1,198	1,200	[illegible]	341	354	357	348	350
Cement *(million tons)*	14.8	17.7	17.9	21.0	24.5	25.6	29.2	34.9	8.7	8.7	9.4	9.1	9.5
Steel (ingots & metal for castings) *(thousand tons)*	9,234	9,520	11,209	12,957	14,408	14,063	19,249	25,682	6,171	6,458	7,058	[illegible]	[illegible]
Tin metal *(thousand tons)*	64.9	74.5	74.5	75.9	75.4	48.1	49.5	80.5	18.9	23.6	21.2	19.6	22.5
Electricity *(thousand million kWh)*	69.0	74.9	82.5	93.0	104.0	109.1	119.6	141.1	34.4	37.4	36.9	36.9	39.6
TRANSPORT[c]													
Railway traffic *(thousand million)*													
Passenger kilometres	158.4	164.4	172.0	183.1	191.1	197.5	205.5	222.8	56.2	55.4	55.9	51.4	...
Freight ton-kilometres	101.0	99.5	108.8	118.9	131.7	128.5	139.7	152.5	35.2	36.8	40.0	32.7	...
International sea-borne shipping *(million tons)*													
Freight loaded	42.0	46.0	50.2	53.4	56.1	55.5	83.4	94.0	23.1	25.6	[illegible]	[illegible]	...
Freight unloaded	64.5	68.2	74.4	87.4	104.5	90.8	107.7	138.0	33.1	27.3	35.8	38.7	...
EXTERNAL TRADE													
Total value *(million US dollars)*													
Exports	7,342	7,650	8,863	9,379	9,939	9,258	10,589	11,676	2,904	2,890	3,074	2,693	2,867
Imports	9,295	8,959	9,671	11,414	13,547	11,021	11,646	13,609	3,459	3,435	3,432	3,589	3,905
Quantum index[d] *(1953=100)*													
Exports	100	110	125	133	143	138	154	171	158	171	183	168	...
Imports	100	106	110	129	145	125	137	168	158	170	172	181	...
Unit value index[d] *(1953=100)*													
Exports	100	99	101	99	99	94	97	108	108	108	106	108	...
Imports	100	96	95	96	101	96	92	94	96	94	92	94	...
Terms of trade[d] *(1953=100)*	100	103	107	103	97	98	106	114	112	115	115	115	...

1. REGIONAL STATISTICAL SERIES *(Cont'd)*

Annual and quarterly figures

	1953	1954	1955	1956	1957	1958	1959	1960	1960			1961	
									II	III	IV	I	II
EXTERNAL TRADE *(Cont'd)*													
Direction of trade[e] *(million US dollars)*													
Exports to:—													
ECAFE countries	2,590	2,570	2,726	3,028	3,250	2,868	3,065	*3,547*	*861*	*893*	*947*	*881*	...
Western Europe (including U.K.)	1,759	1,789	2,135	2,198	1,120	1,993	2,230	*2,423*	*553*	*566*	*659*	*576*	...
U.K.	744	845	1,004	1,004	922	1,002	1,107	*1,115*	*247*	*247*	*310*	*277*	...
U.S.A.	1,238	1,172	1,530	1,532	1,652	1,630	2,175	*2,252*	*603*	*537*	*550*	*441*	...
Sterling area	2,339	2,691	2,964	2,990	3,191	2,998	3,286	*3,636*	*875*	*935*	*1,099*	*852*	...
Imports from:—													
ECAFE countries	2,835	2,726	3,097	3,491	3,842	3,443	3,626	*4,266*	*1,032*	*1,007*	*1,128*	*1,015*	...
Western Europe (including U.K.)	2,221	2,188	2,202	2,590	3,183	2,419	2,615	*2,996*	*796*	*724*	*762*	*835*	...
U.K.	930	902	955	1,133	1,323	1,033	1,093	*1,250*	*327*	*307*	*328*	*337*	...
U.S.A.	1,800	1,813	1,990	2,414	3,371	2,572	2,454	*3,166*	*803*	*829*	*801*	*972*	...
Sterling area	2,682	2,400	2,659	3,076	3,613	2,866	3,195	*3,535*	*914*	*874*	*921*	*880*	...
Export of primary products[f]													
Quantum index *(1953=100)*													
General	100	102	108	109	112	106	109	111	113	108	108	107	*116*
Food	100	107	108	115	120	114	118	122	126	116	115	132	*142*
Agricultural materials	100	99	109	105	101	99	103	99	101	93	102	93	*94*
Mineral products	100	95	100	111	133	112	106	133	129	153	113	88	*132*
Unit value index *(1953=100)*													
General	100	100	108	102	102	99	108	109	110	107	108	102	*95*
Food	100	105	95	91	93	92	88	86	82	86	95	85	*82*
Agricultural materials	100	97	119	111	110	102	125	132	140	130	121	119	*109*
Mineral products	100	93	95	101	102	108	104	95	93	95	102	101	*100*
Quantity of exports *(thousand tons)*													
Food													
Fish, fresh or simply preserved	153	164	180	173	172	279	232	238	55	49	64	69	*72*
Rice and rice products	2,654	2,987	3,294	3,244	3,988	3,064	3,442	3,784	1,171	963	552	1,056	*1,236*
Sugar	1,755	1,604	1,689	1,632	1,804	1,959	1,757	1,971	655	283	496	556	*717*
Tea	436	459	409	458	420	457	452	438	81	117	139	105	*81*
Spices	59	47	80	90	88	74	97	84	14	19	27	26	*31*
Agricultural materials													
Hides and skins, raw	24	24	22	20	20	18	22	*23*	7	4	6	6	6
Oilseeds, oil nuts & oil kernels	1,017	1,219	1,232	1,416	1,396	1,092	1,001	1,184	300	337	285	177	*248*
Rubber, natural	1,611	1,688	1,782	1,699	1,737	1,689	1,929	1,726	415	409	460	458	*434*
Wood and lumber	1,481	1,732	2,023	2,251	2,359	3,321	4,003	4,265	1,244	950	1,135	841	1,182
Cotton, raw	379	222	320	265	204	223	162	*165*	*58*	*30*	*24*	*41*	48
Jute, raw	982	892	981	958	785	906	809	757	182	124	211	152	47
Hemp, raw	132	122	135	143	141	109	113	111	25	25	29	27	*24*
Vegetable oils, not essential	404	499	602	515	450	417	392	362	74	107	105	93	*98*
Mineral products													
Iron ore	3,728	3,540	4,399	5,636	6,631	5,877	7,661	10,383	2,296	3,703	2,434	2,346	*3,599*
Tin ore and concentrates	45	45	44	45	42	27	30	40	9	11	9	8	7
Manganese ore	1,593	1,006	936	712	1,742	976	986	1,160	360	320	254	280	264
Coal	2,201	2,063	1,562	1,940	1,655	1,800	1,556	1,635	335	362	495	275	307
Crude petroleum	6,963	7,083	8,367	10,027	12,408	12,478	9,825	11,993	2,964	3,225	2,319	1,213	*2,951*
GOLD AND FOREIGN EXCHANGE ASSETS[g] *(end of period, million US dollars)*	5,107	4,943	5,426	5,244	4,117	4,379	5,253	5,877	5,457	5,622	5,877	5,974	5,768

GENERAL NOTES: In general, the regional statistical series cover the countries of the ECAFE region except mainland China, Nepal and, in most cases, Afghanistan and Iran; in some cases, other countries have also been omitted because of lack of data. Except in the case of mainland China, countries omitted from the regional series are, from the point of view of the series, usually less important. To ensure comparability, the countries included in different periods for each series are the same.

a. Crop year except rubber, copra and tea beginning from the year stated. FAO source except rubber and tea for which the International Rubber Study Group and the International Tea Committee figures are used respectively.

b. This index compiled by the United Nations Statistical Office, covers Afghanistan, Brunei, Burma, Ceylon, China:Taiwan, Federation of Malaya and Singapore, Hong Kong, India, Indonesia, Iran, Japan, Republic of Korea, Pakistan, Philippines, Sarawak, Thailand and Republic of Viet-Nam. For more detailed statistics and explanatory notes see United Nations *Monthly Bulletin of Statistics.*

c. For countries covered see table 5 below.

d. Based on quantum and unit value indexes of exports and imports, compiled by governments of Burma, Ceylon, China: Taiwan, Federation of Malaya and Singapore, India, Indonesia, Japan, Republic of Korea (since 1957), Pakistan, Philippines, Thailand and Republic of Viet-Nam. (Quantum indexes for Indonesia, Korea and Pakistan are derived from unit value indexes.) These national indexes are combined to form the regional index with the dollar values of exports and imports in the base year 1953 as weights. Exports and imports of the countries included in the index account for 89 and 90 per cent of total exports and imports of the region respectively, excluding Afghanistan, mainland China, Iran and Nepal, in the base year. Intra-regional trade is not deducted.

e. For countries covered see table 7 below. Prior to 1955, including data on Customs Union of Cambodia-Laos-Viet-Nam.

f. Exports of 18 primary products and food from 20 countries and territories (excluding Afghanistan, mainland China and Nepal) are included in the index. To minimize the effect of transit trade, only export of domestic produce is included for Hong Kong and net export of rubber is used for Singapore and Federation of Malaya. The quantity of exports of each item is totalled for 20 countries and territories and relatives have been then weighted by the total value of exports of each commodity in 20 countries and territories in terms of United States dollars in 1953 to form the quantum index. The unit value index is obtained by dividing the index of total value of exports in United States dollars by the quantum index. The commodities included in the index account for 42 per cent of the total value of exports from the 20 countries. (If Hong Kong and Japan are excluded, the percentage is increased to 54.)

g. Includes Burma, Cambodia, Ceylon, China: Taiwan, Federation of Malaya and Singapore, India, Indonesia, Iran, Japan, Republic of Korea, Pakistan, Philippines, Thailand and Republic of Viet-Nam. Figures prior to 1955 exclude Cambodia and Viet-Nam.

2. INDEX NUMBERS OF INDUSTRIAL PRODUCTION

1953=100[a]

	Weight	1955	1956	1957	1958	1959	1960	1960			1961			
								II	III	IV	I	II	Jul	Aug
CHINA (Taiwan)														
Industrial production[b]	100.0	119	125	142	153	173	197	214	220	239	231	246	240	...
Mining and quarrying	10.5	114	120	134	144	155	174	174	162	190	178	197	170	...
Coal	7.4	99	106	122	133	149	166	170	158	182	170	187	172	...
Manufacturing[b]	76.6	120	125	143	153	175	200	224	235	253	247	260	256	...
Food[b]	19.0	101	104	126	121	121	137	169	261	295	265	251	286	...
Textiles	17.8	122	115	128	124	152	170	173	170	180	187	194	190	...
Chemicals	9.5	120	134	158	180	219	256	258	248	300	283	305	276	...
Construction of buildings	1.1	145	104	118	177	118	134	163	94	161	126	144	108	..
Public utilities	11.9	123	135	149	162	182	207	207	215	219	210	230	238	..
Electricity	7.6	126	144	163	184	205	232	235	242	247	233	261	271	.
INDIA[c]														
Industrial production	100.0	116	126	130	132	144	161	153	162	168	172	168	*165*	...
Mining	7.2	107	110	122	128	136	153	157	147	160	180	162	*146*	..
Manufacturing	90.7	116	126	130	131	143	160	150	161	167	169	165	*163*	.
Sugar	4.3	123	144	160	152	161	197	71	15	219	459	191	*8*	..
Tea	5.9	110	110	111	118	117	114	83	209	140	23	102	*203*	...
Textiles	48.0	106	112	109	105	107	110	110	114	110	104	108	..	...
Chemicals	4.2	122	132	140	159	175	197	192	197	198	200	214	..	...
Basic metal industries	8.0	119	124	126	128	169	224	201	245	234	237	239		...
Metal products[d]	4.6	168	200	222	233	264	322	314	343	360	350	373	..	...
Transport equipment	2.9	171	236	246	229	289	378	333	401	429	440	406	...	
Electricity	2.1	128	145	163	185	220	248	251	254	252	254	292	*293*	...
Industrial production (seasonally adjusted)	.	.	.	.	.	.	.	157	159	171	174	*170*	..	.
JAPAN														
Industrial production	100	117	144	167	168	208	261	254	263	281	297	309	320	317
Manufacturing and mining	92.8	117	143	169	169	210	266	258	267	285	302	314	326	323
Mining	7.2	97	107	118	114	113	124	120	123	133	132	127	130	126
Manufacturing	85.6	119	147	174	175	220	280	272	281	301	320	334	346	343
Food	11.5	115	122	128	135	142	148	126	127	118	228	142	149	141
Textiles	15.0	121	144	159	143	167	197	197	199	205	198	212	218	208
Chemicals	10.7	132	159	187	194	222	259	253	258	272	273	293	297	298
Ferrous metals	9.0	117	143	162	153	201	258	258	260	283	283	328	331	331
Machinery	17.0	114	166	230	247	354	506	491	525	571	600	662	702	693
Public utilities	7.2	114	131	146	155	177	208	205	210	223	227	236	248	246
KOREA, Republic of (1954=100)														
Industrial production	100.0	120	146	169	186	213	232	230	241	240	226	232	214	218
Mining	12.8	125	162	218	229	318	418	407	419	434	469	473	462	463
Coal	9.3	147	204	275	300	465	602	587	588	630	652	645	632	633
Manufacturing	80.1	121	146	164	182	202	213	211	223	220	198	205	184	189
Food	8.1	128	183	197	233	215	227	211	286	223	201	234	290	262
Textiles	21.1	123	143	175	180	187	181	184	182	182	159	164	146	136
Electricity	7.1	98	124	147	168	187	189	184	193	187	185	194	194	196
Industrial production (seasonally adjusted)	.	.	.	.	.	.	.	224	237	235	241	226	210	216
PAKISTAN														
Industrial production	...	161	182	192	*215*	*241*	*260*	*249*	*253*	*279*	260	263	.	...
Mining	...	107	125	130	*145*	*145*	*171*	*170*	*166*	*188*	196	201	...	...
Manufacturing	...	167	189	200	*222*	*250*	*269*	*256*	*261*	*288*	267	269	...	...
PHILIPPINES														
Mining	.	102	113	126	125	135	129	131	132	130	125	160	...	...
Manufacturing	.	127	146	158	170	185	190	189	184	193	196			

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a. Original base: *China (Taiwan)*, 1954; *India*, 1951; *Japan* and *Philippines*, 1955; *Republic of Korea*, 1958; *Pakistan*, 1950.

b. Sugar production is excluded from the monthly and quarterly index but included in the annual index. Weights relate to annual index.

c. Quarterly figures relate to the mid-month of each quarter except industrial production (seasonally adjusted).

d. General engineering and electrical engineering including general machinery and electrical machines, apparatus, appliances and supplies.

3. PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
TEA													
Ceylon	14.4	14.2	15.0	15.6	15.6	16.4	19.1	13.7	16.0	15.9	21.7	15.0	14.1
China: Taiwan	1.1	1.1	1.3	1.1	1.7	1.2	1.3	1.2	1.1	1.3	1.1	1.2	...
India	25.3	25.2	25.4	27.0	26.7	26.2	24.4	44.4	31.4	5.4	25.4	46.7	55.2
Indonesia	3.6	3.5	3.9	3.9	3.7	3.7	4.0	3.4	4.1	3.6	4.1	3.2	2.7
Japan	6.1	5.9	6.0	6.2	6.6	6.5	...	...	...	...	...	...	...
Pakistan	2.0	2.1	1.8	2.2	2.3	1.6	0.9	2.8	2.6	0.2	2.0	3.8	4.4
NATURAL RUBBER[a]													
Cambodia	2.3	2.7	2.6	2.8	2.9	3.1	2.9	3.4	4.3	2.3	3.1	3.7	3.6
Ceylon	7.9	8.1	8.3	8.5	7.8	8.2	7.2	7.3	9.9	8.2	6.8	9.7	7.7
Fed. of Malaya & Singapore	54.1	53.1	54.1	56.2	59.1	60.2	54.9	63.4	63.3	59.5	57.1	69.2	66.7
India	1.9	2.0	2.0	2.1	2.0	2.1	1.7	2.2	2.9	1.8	1.8	2.0	2.1
Indonesia	62.1	58.1	58.0	52.0	61.1	50.4	51.6	45.1	54.6	48.6	53.8	57.0	...
Sarawak	3.3	3.4	3.5	3.3	3.7	4.2	5.3	4.5	2.9	3.1	4.4	4.6	5.4
Thailand	11.0	11.3	11.3	11.6	14.4	14.2	12.3	12.9	15.2	16.5	11.4	24.8	21.1
Viet-Nam, Republic of	5.5	5.9	5.8	6.0	6.3	6.5	6.9	7.2	9.1	3.7	6.6	7.8	7.5
COAL													
China: Taiwan	197	211	243	265	297	330	339	314	363	339	373	345	...
Federation of Malaya[b]	17	15	13	6	6	0.6	—	—	—	1.2	—	—	—
India	3,237	3,339	3,683	3,839	3,982	4,395	4,361	4,158	4,692	5,295	4,440	4,160	4,129
Indonesia	68	69	60	51	53	55	59	58	48	41	46	...	...
Iran*	20	16	15	16	16	...	...	...	...	...	...	...	...
Japan	3,535	3,880	4,311	4,139	3,938	4,255	4,138	4,169	4,607	4,611	4,310	4,403	4,129
Korea, Republic of	109	151	203	223	345	446	435	435	467	483	478	469	470
Pakistan[c]	45	55	44	51	61	65	68	56	72	82	79	74	69
Philippines	11	13	16	9	12	12	11	15	10	11	12	...	...
Viet-Nam, Republic of	—	—	1.0	1.7	1.7	2.3	2.1	3.2	2.6	2.6	6.0	...	...
NATURAL GAS *(million cubic metres)*													
Brunei[d]	98.1	119.0	133.8	133.5	148.2	135.0	138.4	133.6	132.0	123.0	114.0	...	...
China: Taiwan	2.16	2.27	2.40	2.18	2.19	2.12	2.28	2.34	2.10	2.64	3.24	3.63	...
Indonesia[d]	159.0	170.0	181.0	174.0	186.0	201.0	198.0	209.6	206.0	200.6	...	...	...
Japan	13.0	14.7	20.6	30.7	42.2	61.0	54.9	59.8	71.1	78.0	75.6	76.8	77.0
Pakistan	...	24.6	36.2	45.6	52.8	66.9	69.2	73.5	77.1	72.4	78.8	...	...
PETROLEUM, CRUDE[e]													
Brunei	438	470	450	434	450	381	381	372	369	346	343	...	...
Burma	18	19	33	39	44	46	42	49	47	43	48	48	49
China: Taiwan	0.28	0.25	0.21	0.18	0.15	0.17	0.17	0.19	0.17	0.19	0.19	0.22	...
India	28	32	36	35	37	37	37	35	40	37	36	40	32
Indonesia	982	1,061	1,289	1,342	1,518	1,716	1,762	1,720	1,763	1,671	1,791	...	...
Iran[f]	1,358	2,195	2,999	3,401	3,837	4,267	3,916	4,238	4,822	4,498	4,865	5,032	5,289
Japan	26	26	27	31	34	44	41	44	51	49	53	59	59
Pakistan	23	24	25	25	26	27	24	25	29	...	...	...	...
Sarawak	6	6	6	5	5	5	5	5	5	5	5	...	...
IRON ORE[g]													
Federation of Malaya	124	207	252	237	318	478	489	588	458	514	655	684	628
Hong Kong	10	10	8	9	10	10	9	10	10	10	11	9	9
India	361	359	391	483	656	...	903	871	867	970	960	863	908
Japan[h]	126	159	187	167	207	237	238	259	242	213	224	272	266
Korea, Republic of	2	5	15	22	23	33	26	37	42	41	37	41	47
Pakistan	—	0.6	2.0	0.7	0.2	0.5	—	0.4	1.4	1.3	—	...	...
Philippines	119	120	112	92	103	95	97	98	91	80	115	103	...
TIN CONCENTRATES *(tons)*													
Burma	94	67	59	*102*	*102*	*122*	*122*	*122*	*122*	*122*	*122*	*122*	*122*
China: Mainland	[illegible]	[illegible]	*1,354*	*1,524*	*1,778*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*
Federation of Malaya	5,186	5,274	5,020	3,256	3,177	4,401	4,322	4,429	4,702	4,450	4,737	5,253	4,650
Indonesia	2,825	2,545	2,347	1,968	1,830	1,914	1,910	2,075	2,045	1,319	1,514	1,718	1,745
Japan	76	79	80	94	83	73	81	72	62	*71*	*71*	*71*	...
Laos	21	20	23	26	25	*31*	*31*	*31*	*31*	*56*	*56*	*56*	...
Thailand	933	1,057	1,145	654	820	1,023	1,000	994	1,023	1,093	1,108	1,078	1,261
SALT													
Burma	8.4	7.2	9.7	9.2	9.3	12.3	15.7	11.1	10.8	17.1	14.3	...	...
Ceylon	3.3	9.0	6.8	1.4	2.4	4.8	4.3	11.0	3.2	0.1	3.8	...	...
China: Taiwan	35.1	25.4	32.3	36.6	35.8	37.8	31.8	15.5	48.7	41.6	47.2	8.2	...
India	252.2	276.5	307.0	350.1	264.9	286.3	594.3	246.5	142.4	234.9	755.5	104.8	...
Indonesia	3.8	9.1	28.9	19.6	26.2	16.5	—	16.1	49.8	—	—	7.3	72.4
Japan[i]	46.1	52.3	69.3	88.2	97.1	73.5	74.9	75.8	65.9	59.8	73.8	67.9	82.4
Korea, Republic of	29.5	16.4	30.8	36.4	32.5	33.3	47.1	64.9	20.8	0.2	34.6	7.2	5.7
Pakistan	33.8	32.8	38.3	29.9	24.0	35.9	37.8	30.3	40.6	38.1	*39.4*	...	...
Philippines	6.7	5.3	8.6	11.6	14.5	7.9	...	...	...	...	...	...	...
Thailand	19.7	20.6	21.9	35.6	38.3	*27.5*	...	...	...	...	...	...	...
Viet-Nam, Republic of	6.4	5.0	6.6	5.1	5.1	...	...	...	...	...	...	...	...

3. PRODUCTION OF SELECTED COMMODITIES *(Cont'd)*

Monthly averages or calendar months

Thousand tons

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
SUGAR													
Afghanistan	0.50	0.40	0.40	0.39	0.37	0.37	...	...	...	...	...	...	...
Burma	1.52	1.43	2.47	3.40	3.31	3.42	1.12	—	2.80	9.9	1.4	—	...
China: Taiwan	66.9	64.6	76.5	72.2	74.0	70.5	7.7	—	91.2	195.7	24.3	—	...
India	136.8	165.4	175.2	165.7	176.3	215.9	116.7	12.5	255.0	516.3	222.8	8.0	...
Indonesia	71.4	65.5	69.0	64.5	71.3	56.3	71.6	146.7	6.7	—	66.6	230.8	141.1
Iran	6.9	6.9	6.8	9.2	9.2	...	...	...	...	...	...	...	...
Japan	3.7	5.4	6.4	10.0	12.1	12.4	...	...	...	...	...	...	...
Korea, Republic of	3.2	5.2	2.6	4.3	5.0	5.3	4.4	6.5	5.7	4.3	4.7	4.5	4.2
Pakistan	8.0	7.4	9.4	13.8	14.2	12.3	8.2	0.2	12.8	23.2	0.8	0.4	0.8
Philippines	106.7	99.8	88.4	103.5	126.5	116.5	68.6	18.6	139.4	...	...	...	...
Thailand[j]	3.1	3.3	4.2	6.1	*6.7*	*9.2*	...	...	...	...		...	...
Viet-Nam, Republic of	0.13	0.17	0.09	0.41	2.74	4.76	5.73	5.03	4.27	5.05	6.45	...	...
COTTON YARN													
Burma	0.12	0.12	0.14	0.20	0.30	0.32	0.29	0.33	0.34	0.34	0.34	0.29	0.33
China: Taiwan	2.1	2.0	2.3	2.3	2.6	3.4	3.4	3.6	3.7	3.6	4.0	4.0	...
Hong Kong	3.5	3.8	4.0	4.4	5.2	6.6	6.2	6.7	7.7	7.5	...	...	...
India	61.6	63.2	67.3	63.7	65.0	65.7	63.2	67.1	68.3	68.3	69.8	75.0	75.0
Japan	34.9	41.1	43.1	36.6	39.7	46.0	46.7	46.2	47.2	45.6	47.0	47.4	39.9
Korea, Republic of	2.2	2.6	3.4	3.7	4.0	4.1	4.3	4.0	4.1	3.7	3.7	3.3	3.1
Pakistan	10.4	11.4	12.0	13.0	14.6	15.4	14.8	14.9	16.8	14.3	15.3	16.3	15.9
Philippines	0.05	0.07	0.07	0.06	*0.09*	0.06	0.06	0.07	0.05	0.07	0.08	...	...
COTTON FABRICS (*Mn metres*)													
Ceylon (*Mn sq. metres*)	0.4	0.6	0.4	0.5	0.6	0.9	0.9	0.9	0.9	*0.5*	...		...
China: Taiwan	13.6	11.6	13.0	12.2	13.0	14.7	14.8	15.2	15.4	15.0	15.9	15.1	...
India	388	404	405	375	375	385	377	394	392	486	392	407	403
Indonesia	4.2	4.4	4.7	4.6	3.4	5.4	5.2	5.9	5.9	5.0	...	...	...
Japan (*Mn sq. metres*)	210	242	268	218	230	268	270	270	281	274	291	287	268
Korea, Republic of (*Mn sq. metres*)	8.4	10.2	13.8	14.8	16.1	15.6	16.2	15.9	15.5	12.6	14.2	13.2	11.4
Pakistan	34.5	38.1	40.2	43.9	47.2	49.3	45.4	50.3	53.3	53.3	53.6	53.9	53.0
Philippines	0.9	1.4	1.2	0.9	0.8	0.4	0.4	0.3	0.3	0.5	0.3	...	...
Thailand[k,r]	...	0.19	0.23	0.21	0.13	0.10	...	...			...	...	...
JUTE MANUFACTURES													
Burma (Gunny bags, *Mn pieces*)	—	—	*0.50*	*1.00*	1.25	1.00	1.04	0.91	0.74	0.69	0.61	...	...
China: Taiwan (Gunny bags, *Mn pieces*)	0.90	1.05	1.01	0.73	1.41	1.25	1.53	1.17	0.82	1.37	1.16	0.67	...
India	87.0	92.5	87.2	89.9	89.0	90.4	92.0	91.6	88.5	85.0	75.8	64.4	...
Pakistan	7.5	12.1	12.6	14.5	19.0	22.4	22.7	23.6	21.0	19.9	19.8	21.3	20.4
Thailand (Gunny bags, *Mn pieces*)	0.28	0.36	0.40	0.45	*0.47*	*0.49*	...	...	...	...	...	...	...
PAPER[m]													
China: Taiwan	2.8	3.6	5.0	6.0	7.1	8.1	8.3	7.9	8.8	8.3	9.3	9.4	...
India	10.1	10.4	10.7	13.1	15.0	18.0	17.4	17.6	19.0	*19.0*	18.5	...	...
Japan	116.1	129.6	145.7	147.4	181.9	206.9	201.8	211.5	221.3	227.3	238.8	244.2	246.4
Korea, Republic of	0.6	0.6	0.7	1.0	1.8	2.2	1.9	2.1	2.7	2.7	2.7	2.6	2.6
Pakistan	1.1	1.4	1.7	1.4	1.6	1.7	1.5	2.0	1.8	1.9	2.0	2.1	2.6
Thailand	0.17	0.25	0.23	*0.23*	*0.22*	*0.21*	...	...	...	...	...	...	...
VEGETABLE OILS													
China: Taiwan: Edible oil	0.8	0.9	1.0	1.1	1.1	1.5	0.9	2.3	1.9	1.4	1.6	1.2	...
Federation of Malaya: Coconut oil	8.0	9.2	8.2	6.7	5.7	6.1	6.3	6.3	6.4	6.3	8.4	8.0	8.6
Palm oil	4.8	4.7	5.0	6.0	6.1	7.4	8.1	7.5	7.1	6.4	7.7	9.6	8.7
India: Edible oil (Vanaspati)	22.1	21.6	25.5	25.0	26.8	28.1	28.9	24.9	25.8	33.8	28.4	26.8	...
Indonesia: Palm oil	13.8	13.7	13.4	12.3	11.5	11.7	11.7	13.5	11.8	9.3	12.4	15.4	14.1
Japan: Coconut oil	2.3	2.0	2.4	2.2	2.8	3.9	4.0	4.1	4.2	4.5	*4.5*	...	...
Others	13.0	15.1	16.3	19.9	20.6	22.0	20.6	22.4	23.3	21.2	*22.0*	...	...
Pakistan: Vegetable oil	1.2	1.4	1.5	1.7	2.3	2.9	2.9	2.5	3.7	3.7	3.8	4.0	4.1
Philippines: Coconut oil	13.3	*17.7*	27.8	19.1	15.8	14.9	...	...	...	...	...	...	...
Singapore: Coconut oil	2.8	3.4	4.1	2.6	1.7	2.1	1.9	2.1	2.5	2.6	2.3	2.0	2.2
SUPERHOSPHATES[n]													
China: Taiwan	6.7	8.4	8.6	8.7	9.9	10.1	10.6	10.8	11.3	11.6	10.7	8.4	...
India	6.3	6.9	12.0	14.0	21.1	26.9	27.7	24.7	23.5	29.4	...	...	...
Japan	149.6	171.5	155.3	146.5	153.9	179.1	188.2	155.7	182.8	192.1	160.7	109.9	143.5
Pakistan	...	...	...	0.09	0.13	0.13	—	0.39	0.75	0.91	0.94	0.80	...
AMMONIUM SULPHATE													
China: Taiwan	0.4	0.6	1.3	1.5	1.8	1.8	1.7	1.7	2.1	2.3	2.3	2.2	...
India	33.3	32.9	32.1	32.5	32.9	32.4	29.7	31.2	35.4	36.2	30.4	34.7	...
Japan	177.4	193.6	206.7	217.5	219.5	202.0	198.0	205.3	199.3	199.0	213.4	235.3	213.2
Pakistan	...	...	...	1.7	3.6	3.8	3.8	3.3	4.1	4.1	4.3	...	...

3. PRODUCTION OF SELECTED COMMODITIES *(Cont'd)*

Monthly averages or calendar months

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
PETROLEUM PRODUCTS[p]													
Burma	10.7	11.4	18.2	25.0	27.6	31.0	29.5	30.5	31.7	28.6	31.3	30.9	...
China: Taiwan *(thousand Kilolitres)*	51.2	52.5	55.5	56.4	67.1	79.5	75.1	75.3	96.2	81.7	93.0	64.7	...
India	252.0	324.2	370.7	397.7	429.4	479.8	480.2	494.0	493.4	457.9	552.5	562.6	525.8
Indonesia	863.9	859.0	911.1	847.8	917.2	920.4	902.0	924.7	935.9	905.5	...	...	...
Iran	609.4	956.0	1,274.3	1,259.1	1,307.4	1,439.0	1,368.0	1,524.0	1,459.0	1,078.3	1,127.5	1,525.1	1,333.1
Japan *(thousand Kilolitres)*	717.8	984.1	1,212.6	1,346.5	1,820.9	2,571.9	2,472.7	2,402.2	3,006.9	3,032.1	3,069.4	3,007.5	...
Pakistan	6.3	7.0	7.2	7.4	...	...	...	...	...	...	...	...	...
Philippines	49.8	63.0	71.7	95.2	100.0	...	...	...	...	...	...	...	...
Sarawak	192.1	206.8	195.8	196.4	199.5	198.1	195.1	202.2	195.1	182.9	...	...	...
CEMENT													
Burma	5.0	3.2	3.1	3.0	3.0	3.7	4.7	3.4	3.5	4.1	4.0	3.6	3.2
Ceylon	7.1	7.1	4.1	6.7	7.9	7.2	5.2	8.2	7.7	6.6	...	...	...
China: Taiwan	49.2	49.2	50.3	84.6	89.0	98.6	95.5	95.4	107.2	131.4	133.0	128.1	...
Federation of Malaya	9.1	8.7	9.5	9.2	16.0	23.9	23.0	26.1	27.2	27.5	26.5	28.9	28.4
Hong Kong	9.7	10.1	8.7	12.7	11.8	12.5	12.1	10.8	14.1	15.4	14.2	16.0	16.30
India	379.9	417.2	474.3	513.6	576.7	652.6	654.1	614.3	682.2	692.2	677.7	627.0	677.0
Iran	11.0	18.7	26.1	34.2	44.4	...	...	...	...	...	...	...	...
Japan	880.0	1,085.0	1,265.0	1,249.0	1,439.0	1,878.0	1,869.0	1,907.0	2,064.0	1,891.0	1,984.0	1,966.0	2,070.0
Korea, Republic of	4.7	3.8	7.7	24.6	29.8	35.9	34.8	36.7	37.7	40.8	42.7	23.9	30.4
Pakistan	57.7	65.4	91.3	90.8	82.8	94.8	99.5	88.7	99.2	92.4	106.4	87.4	109.7
Philippines	34.1	37.2	42.6	53.5	60.8	66.2	65.5	64.0	70.0	78.9	90.5	...	...
Thailand	32.2	33.1	33.5	41.6	47.2	45.2	...	...	...	...	...	...	...
STEEL (ingots and metal for castings)													
China: Taiwan	4.8	6.0	7.4	8.9	13.2	16.7	16.5	17.4	18.0	16.8	19.0	16.2	...
India	144.3	147.1	145.2	153.5	206.0	273.9	247.9	264.3	314.6	325.3	311.4	328.0	...
Japan	784.0	925.5	1,047.5	1,009.8	1,385.7	1,844.8	1,788.8	1,870.8	2,015.7	2,055.3	2,354.9	2,441.1	2,442.6
Korea, Republic of	...	...	1.4	1.6	3.2	4.2	3.2	4.8	3.7	2.5	4.7	2.9	3.1
Pakistan	0.9	0.9	1.4	0.8	0.8	0.8	0.6	0.3	0.6	0.8	0.7	0.8	0.6
TIN METAL *(tons)*													
China: Mainland	*1,016*	*1,186*	*1,354*	*1,524*	*1,778*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*	*2,030*
Fed. of Malaya & Singapore	5,980	6,203	6,036	3,838	3,872	6,446	6,052	7,593	6,781	6,263	7,333	7,327	6,600
Indonesia	150	25	27	*51*	*135*	*152*	*152*	*152*	*152*	*152*	*152*	*152*	*152*
Japan	79	94	107	112	111	*107*	*109*	114	*119*	*101*	*101*	*101*	*101*
ELECTRICITY[q] *(million kWh)*													
Afghanistan[s]	2.87	2.97	4.10	*4.30*	*5.30*	...	...	...	...	...	...	...	...
Brunei[s]	0.18	0.28	0.41	0.55	0.68	...	...	...	...	...	...	...	...
Burma	7.7	9.3	12.3	15.1	17.6	...	20.6	...	...	...	...	...	...
Cambodia	2.31	2.75	3.16	3.60	4.05	4.60	4.61	4.90	4.50	4.62	4.93	...	...
Ceylon	15	16	18	20	22	25	25	26	26	24	27	...	...
China: Taiwan	164	187	213	237	268	302	306	315	322	313	341	354	...
Federation of Malaya[q]	79	84	89	74	77	99	97	102	106	105	111	116	...
Hong Kong	47	54	62	68	79	93	90	103	97	93	107	127	127
India	716	803	906	1,031	1,213	1,361	1,364	1,382	1,406	1,493	1,590	1,617	1,641
Indonesia	72	75	82	*95*	*98*	...	...	...	...	...	...	...	...
Iran*[s]	...	33	45	60	76	...	...	...	...	...	...	...	...
Japan[s]	5,433	6,011	6,476	6,656	7,939	9,241	9,202	9,458	9,936	9,905	10,480	...	...
Korea, Republic of	73	93	110	126	141	141	138	145	140	139	146	146	147
Laos	0.16	0.23	0.28	0.29	0.47	...	...	...	...	...	...	...	...
Pakistan	51	64	78	102	109	121	...	...	...	...	...	...	...
Philippines (Manila)	65	77	93	107	125	142	139	146	149	151	163	...	...
Singapore	31	36	41	47	51	55	54	56	57	57	60	62	...
Thailand (Bangkok & Thonburi)	16	18	22	23	27	30	30	30	31	32	*32*	...	...
Viet-Nam, Republic of	17	18	18	20	22	24	24	25	24	25	26	...	...

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a. Including latex. b. Lignite. c. Including lignite.

d. Total production, including gas for repressuring and gas wasted.

e. Specific gravity: *Brunei, Burma, India, Iran, Pakistan* and *Sarawak*, 0.84; *China (Taiwan)*, 0.89; *Indonesia*, 0.85; *Japan*, 0.90.

f. Beginning 1960, figures approximately 98%.

g. Approximate metal content of ores as follows: *Federation of Malaya*, 60%; *Hong Kong, Japan* and the *Philippines*, 55%; *India*, 65%; *Korea*, 45-57%.

h. Including iron sand.

i. Production in government licensed plants only.

j. Crop year.

k. Government Textile Mill only.

m. Paper excluding paper board: *India*, printing and writing; *Japan*, foreign style; *Korea*, newsprint; *Pakistan*, printing other than newsprint and writing.

n. 16% P_2O_5 content.

p. Comprising motor spirit, kerosene and diesel oil for Burma; gasoline, diesel oil, kerosene and fuel oil for China (Taiwan); motor spirit, aviation spirit, kerosene, heavy oil, wax and paraffin, asphalt and cutback for Indonesia; motor spirit, kerosene, distillate fuel oils and residual fuel oil for Sarawak and Philippines; motor spirit and kerosene for Pakistan; all products for other countries.

q. Gross production by enterprises generating primarily for public use.

s. Including production by industrial establishments generating primarily for own use.

4. CONSTRUCTION — NEW BUILDING

Monthly averages or calendar months

	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
Ceylon: completed[a]													
(Floor area—*thousand sq metres*)													
Residential	6.72	6.49	5.97	1.88	3.95	4.54	5.02	4.69	4.66	6.49	...	...	...
Non-residential	2.02	2.20	2.54	1.46	3.08	2.13	2.48	1.03	2.59	2.20	...	...	...
China: Taiwan: completed													
(Floor area—*thousand sq metres*)													
Public	6.15	4.71	5.68	8.41	6.26	9.52	14.22	4.04	10.11	4.86	6.95	4.93	...
Private	32.73	23.55	26.67	35.85	24.13	25.07	27.23	20.28	31.79	27.32	30.07	22.88	...
Hong Kong: completed													
(Cost—*thousand Hong Kong dollars*)													
Residential	8,902	8,654	10,267	10,489	13,982	20,916	23,812	22,662	13,735	21,234	14,614	23,593	20,066
Industrial	862	815	1,016	2,330	1,488	2,277	3,388	1,931	1,219	5,632	2,720	9,085	1,311
Commercial	336	1,438	1,204	2,438	1,279	5,586	1,833	14,961	1,955	470	1,588	—	—
Others	1,845	2,197	1,696	4,847	1,746	3,020	4,806	2,967	2,374	4,689	877	4,668	5,942
Japan: started													
(Floor area—*thousand sq metres*)													
Residential	1,454	1,752	1,870	1,933	2,145	2,415	2,599	2,707	2 508	2,375	3,148	3,188	3,149
Non-residential	1,328	1,665	1,775	1,593	2,093	2,708	2,700	2,943	3 098	2,923	3,395	3,298	3,874
Korea, Republic of: permits issued													
(Floor area—*thousand sq metres*)													
Residential	13[b]	27	22	37	60	53	76	71	37	17	41	26	23
Non-residential	53[b]	65	66	67	83	62	86	59	48	44	68	71	82
Philippines:[c] permits issued													
(Value—*thousand pesos*)													
Residential	1,295	1,596	1,732	1,807	1,547	1,378	1,599	1,435	1,507	1,962	2,064		...
Non-residential	1,857	2,298	3,122	2,193	3,364	2,391	3,214	2,107	,358	3,303	2,639	...	...
Singapore: completed (*Number of dwelling units*)													
Public[d]	279	184	124	340	127	142	...	...	...	...	...	...	...
Private[e]	200	186	156	145	134	176	49	38	26	41	29	4	52
Thailand:[f] permits issued (*Number of buildings*)													
Residential	244	201	204	226	163	204	261	201	140	253	243	252	332
Non-residential	72	64	44	27	21	29	32	29	24	46	39	52	41
Viet-Nam,[g] Republic of													
(Floor area—*thousand sq metres*)													
Apartments	6.36	7.10	4.41	7.99	10.21	8.88	7.19	8.99	10.07	11.45	11.08	7.57	6.16
Houses	5.10	3.35	3.92	5.23	8.11	11.48	11.28	9.63	8.52	10.38	8.11	7.80	11.31
Others	2.10	2.82	1.99	2.80	4.20	4.98	4.68	6.84	4.73	5.00	3.52	6.03	6.92

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a. Excluding particulars of buildings under building schemes.
b. December.
c. Manila only.
d. Comprising buildings erected by or on behalf of Public Works Department, Housing and Development Board and City Council.
e. Monthly and quarterly figures exclude buildings erected in city area which are not available.
f. Bangkok only.
g. Saigon-Cholon only.

5. VOLUME OF TRAFFIC: RAILWAYS, SEA-BORNE SHIPPING AND CIVIL AVIATION

Monthly averages or calendar months

	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
RAILWAYS[a]													
Passenger-kilometres (*million*)													
Burma†	66	70	79	89	108	132	144	118	146	*153*	...	...	...
Cambodia	5	6	7	6	6	7	8	7	6	7	8	6	...
Ceylon†	115	123	127	118	*136*	...	...	...	...	...	...	...	...
China: Taiwan	212	238	288	309	309	301	297	272	308	315	317	309	317
Hong Kong	7	9	10	9	11	13	14	11	13	11	12	9	10
Fed. of Malaya and Singapore	49	50	52	49	50	51	43	49	52	53	49	47	...
India‡	5,039	5,469	5,584	5,617	5,885	*6,216*	6,474	5,818	6,046				...
Indonesia	421	388	395	460	552	...	...	...	...				...
Iran	39	37	72	128	166	...	...	...	...				...
Japan‡	7,603	8,173	8,437	8,851	9,516	10,332	10,187	10,424	10,230	10,486	...	...	...
Korea, Republic of	309	337	286	348	372	411	391	408	456	438	435	466	484
North Borneo	0.92	1.25	1.33	1.33	1.38	1.47	1.51	1.51	1.36	1.56	1.52	1.33	1.38
Pakistan‡	788	860	901	905	960	920	1,090	984	987	1,000	...	...	...
Philippinesø	37	43	49	58	62	66	78	57	71	73	...	...	...
Thailand	167	155	164	164	154	196	222	164	181	211	214	164	169
Viet-Nam, Republic of	31	32	37	36	43	45	48	41	41	42	51	...	...
Freight ton-kilometres (*million*)													
Burma†	53	51	52	52	59	63	70	62	51	*63*	...	...	...
Cambodia	2	4	5	5	7	6	6	8	2	9	8	4	...
Ceylon†	22	24	25	22	25	26	25	26	26	...	...	...	...
China: Taiwan[b]	144	150	168	167	164	173	172	141	182	194	190	172	*150*
Fed. of Malaya and Singapore	33	37	36	32	46	59	59	60	55	59	67	...	...
Hong Kong	0.51	0.65	0.57	0.66	0.75	0.99	0.84	1.11	1.29	0.71	0.74	0.97	0.79
India‡	4,613	5,203	5,963	6,158	6,552	6,182	5,981	6,565	7,044	...	6,480	...	...
Indonesia	88	87	87	89	87	...	...	...	...	...	...	...	...
Iran	104	113	125	121	161	180	170	163	221	179	...	...	...
Japan‡	3,500	3,859	3,971	3,727	4,088	4,416	4,362	4,283	4,762	4,256	4,702	...	...
Korea, Republic of	156	169	197	204	234	254	254	260	256	261	267	238	266
North Borneo	0.25	0.33	0.33	0.33	0.31	0.33	0.30	0.35	0.40	0.30	0.31	0.34	0.34
Pakistan‡	469	529	557	596	613	621	748	589	706	696	...	...	...
Philippinesø	13	12	13	17	15	16	19	17	17	16	...	...	...
Thailand	65	76	85	91	89	95	113	97	99	116	111	98	93
Viet-Nam, Republic of	7	5	7	7	10	13	15	14	9	14	14	...	...

5. VOLUME OF TRAFFIC: RAILWAYS, SEA-BORNE SHIPPING AND CIVIL AVIATION *(Cont'd)*

Monthly averages or calendar months

		1955	1956	1957	1958	1959	1960	1960			1961			
								II	III	IV	I	II	Jul	Aug
INTERNATIONAL SEA-BORNE SHIPPING														
Freight loaded (L) and unloaded (U) in external trade *(thousand tons)*														
Burma†	L . . .	145	168	201	220	217	203	243	173	103	135	...	...	...
	U . . .	73	78	110	145	134	94	92	78	90	92	...	...	...
Brunei	L . . .	5	4	3	2	3	4	6	4	3	...	...	...	...
	U . . .	14	14	13	13	5	8	8	9	8	...	...	...	...
Ceylon	L . . .	88	82	83	69	66	61	65	69	51	112	78	58	...
	U . . .	191	205	268	280	321	337	325	354	260	456	351	365	...
China: Taiwan	L . . .	106	104	111	149	147	160	160	120	201	182	189	181	...
	U . . .	155	177	193	189	203	234	220	265	237	231	271	290	...
Fed. of Malaya	L . . .	226	284	310	258	345	452	612	551	350	466	839	849	...
	U . . .	231	241	235	221	226	272	270	285	289	271	291	301	...
Hong Kong	L . . .	111	162	143	164	166	180	178	181	173	170	168	201	167
	U . . .	347	386	426	443	458	494	472	508	497	468	511	484	566
Indonesia	L . . .	1,040	1,096	1,500	1,412	1,067	1,339	1,279	1,305	1,367	619	1,155	799	...
	U . . .	389	488	526	292	292	261	218	225	353	355	446	407	...
Iran*[c]	L . . .	1,199	1,181	1,686	...	2,363	...	2,392	2,441	...	...	...	...	...
	U . . .	89	72	84	...	106	...	131	94	...	...	...	...	...
Japan[d]	L . . .	624	681	645	726	790	878	853	921	918	1,096	1,341	1,281	...
	U . . .	3,058	3,870	4,890	4,093	5,411	7,241	6,854	7,634	7,843	8,483	9,708	11,114	...
Korea, Republic of	L . . .	7	11	15	10	15	27	27	30	40	40	53	63	44
	U . . .	138	74	104	98	96	207	363	173	193	161	195	111	103
North Borneo	L . . .	39	46	62	70	98	...	117	118	...	116	125	...	...
	U . . .	18	23	24	29	35	...	39	41	...	36	39	...	...
Pakistan	L . . .	124	120	100	94	120	143	128	141	175	156	128	127	...
	U . . .	236	335	384	378	333	517	551	543	479	501	539	622	...
Philippines	L . . .	483	587	494	466	449	566	645	496	505	557	604	...	...
	U . . .	280	347	297	242	309	346	349	308	419	405	396	...	...
Sarawak	L . . .	444	485	478	441	527	441	439	454	420	383	423	...	...
	U . . .	17	19	17	16	23	25	24	29	25	25	27	...	...
Singapore	L . . .	510	552	554	483	430	448	419	450	504	522	572	457	...
	U . . .	883	921	958	855	773	813	800	818	890	926	978	994	...
Thailand (Bangkok)	L . . .	161	164	186	162	175	221	186	193	288	290	240	260	227
	U . . .	116	126	138	142	154	166	167	162	175	173	184	193	187
Viet-Nam (Saigon)	L . . .	39	28	47	40	52	72	75	73	59	58	73	...	...
	U . . .	112	108	115	125	142	136	145	140	128	149	145	...	...
Entrances (E) and clearances (C) of vessels with cargo in external trade *(thousand net registered tons)*														
India	E	806	829	947	1,014	1,079	1,209	1,243	1,194	1,338	1,242	1,276	1,293	1,401
	C	702	737	702	812	960	986	859	926	987	1,005	1,052	840	917
CIVIL AVIATION[e]														
Passenger-kilometres *(million)*														
Burma		5.11	4.99	3.36	3.89	3.81	4.52	5.2	3.9	4.8	...	...	...	...
Ceylon		0.79	2.45	3.28	3.81	4.04	3.96	4.0	4.3	3.53	3.60	...	...	...
China: Taiwan		3.85	3.99	4.50	4.55	5.48	5.32	5.49	5.42	5.71	4.52	5.69	5.38	7.35
India		42.92	56.60	65.13	72.00	78.23	92.94	89.32	102.27	102.04	95.0	104.1	114.3	...
Indonesia		19.87	22.40	23.34	16.16	21.40	21.58	21.67	23.48	22.37	16.84	...	...	...
Iran		2.58[f]	2.84[f]	3.33	3.47	3.31	...	...	...	...	...	...	...	...
Japan		27.43	37.96	47.37	57.19	70.18	87.61	84.53	95.56	106.20	...	...	...	...
Pakistan		9.21	12.03	17.71	19.12	21.10	28.70	28.59	29.32	32.66	34.67	41.05	41.80	44.42
Philippines		10.08	11.74	13.94	15.61	19.75	23.83	26.19	21.86	24.19	20.70	...	...	...
Thailand		4.14	5.01	6.53	4.18	3.56	5.29	3.50	5.85	8.41	8.95	...	...	...
Freight ton-kilometres *(thousand)*														
Burma		112	94	66	73	76	89	83	83	93	...	...	...	...
Ceylon		14	118	144	120	161	168	166	172	172	143	...	...	...
China: Taiwan		203	162	165	168	180	164	153	156	184	136	134	135	109
India		2,879	3,215	3,225	3,402	3,473	3,896	3,678	3,848	4,535	4,376	4,484	5,233	...
Indonesia		662	729	762	453	476	454	451	471	481	314	393	442	492
Iran		50[f]	105[f]	213	284	473	...	...	...	...	...	...	...	...
Japan		508	762	942	1,215	1,614	2,010	1,731	1,798	2,826	...	...	...	...
Pakistan		214	260	357	543	1,145	1,571	1,411	1,548	1,973	1,721	1,580	1,584	1,817
Philippines		315	335	386	347	407	317	274	329	368	*412*	...	...	...
Thailand		107	112	156	73	41	87	58	117	139	162	...	...	...

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a. Railway traffic coverage: *China (Taiwan)*, Taiwan Railway Administration; *India* and *Pakistan*, class I railways; *Japan*, State Railways only; *Philippines*, Manila Railroad Company.

b. Including service traffic.

c. Caspian Sea traffic included.

d. Excluding military and charity goods and transit traffic, including imports and exports by air and parcel post.

e. Scheduled domestic and international routes.

f. Including non-scheduled and/or non-revenue operations.

EXTERNAL TRADE

6. VALUE OF EXPORTS AND IMPORTS AND BALANCE OF TRADE

Monthly averages or calendar months *Millions*

		BRUNEI (*Malayan dollar*)			BURMA (*kyat*)			CAMBODIA (*riel*)			CEYLON (*rupee*)			CHINA (Taiwan) (*NT dollar*)			FEDERATION OF MALAYA[a] (*Malayan dollar*)		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	ICA imports	Exports	Imports	Balance
1954		22.8	8.3	+14.5	100	81	+19	184	172	+12	151	116	+35	121	275	125	135	110	+ 25
1955		25.3	8.7	+16.6	90	72	+18	117	139	−22	162	122	+40	160	262	127	198	129	+ 69
1956		27.5	9.5	+18.0	98	78	−20	107	165	−58	144	135	+ 9	244	400	166	188	146	+ 42
1957		28.3	9.0	+19.3	91	117	−26	151	170	−19	140	150	−10	306	438	172	182	151	+ 31
1958		27.2	7.4	+19.8	77	81	− 4	154	222	−68	142	143	− 1	322	467	138	157	138	+ 19
1959		25.8	5.2	+20.6	89	88	+ 1	175	204	−29	146	167	−21	476	702	212	206	145	+ 61
1960		20.7	5.2	+15.5	89	103	−14	203	277	−74	153	163	−10	497	900	329	244	179	+ 65
1960	II	21.1	5.4	+15.7	116	99	+17	139	264	−125	147	156	− 9	557	1,073	472	245	175	+ 70
	III	20.1	5.2	+14.9	77	105	−28	249	277	−28	148	182	−34	365	942	383	252	184	+ 68
	IV	19.1	5.2	+13.9	49	101	−52	240	292	−52	146	153	− 7	576	898	298	231	188	+ 43
1961	I	17.5	5.0	+12.5	73	76	− 3	188	244	−56	148	140	+ 8	637	1,249	492	199	175	+ 24
	II	...	...	...	111	94	+17	264	322	−58	140	129	+11	647	967	326	210	186	+ 24
	Jul	...	...	...	86	82	+ 4	*136*	*284*	*−148*	163	149	+14	...	...	...	232	203	+ 29
	Aug	...	...	...	87	91	− 4	...	...	...	157	138	+19	...	...	...	*259*	*179*	*+ 80*

		HONG KONG (*HK dollar*)			INDIA (*rupee*)			INDONESIA[c] (*rupiah*)			IRAN (*U.S. Dollar*)			JAPAN[d] (*1,000 Mn yen*)			KOREA,[e] Republic of (*US dollar*)		
		Exports	Imports	Exports, domestic	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Special procurement	Exports	Imports	Balance
1954		202	286	57	469	515	− 46	823	598	+225	13.3	19.2	− 5.9	48.9	72.0	7.2	2.0	20.3	−18.3
1955		212	310	61	506	561	− 55	898	600	+298	31.0	24.6	+ 6.4	60.3	74.1	5.2	1.5	28.5	−27.0
1956		268	381	65	516	685	−169	878	817	+ 61	42.7	28.8	+13.9	75.0	96.9	5.0	2.1	32.2	−30.1
1957		252	429	62	547	890	−343	907	763	+144	54.2	34.8	+19.4	85.7	128.5	6.9	1.9	36.8	−34.9
1958		249	383	105[b]	485	732	−247	751	517	+234	61.5	47.7	+13.8	86.3	91.0	4.3	1.4	31.5	−30.1
1959		273	412	190	518	788	−270	884	459	+425	63.3	*46.3*	*+17.0*	103.7	108.0	4.7	1.6	24.3	−22.7
1960		328	489	239	528	896	−368	3,152	2,154	+998	...	...	...	121.6	134.8	4.7	2.7	27.4	−24.7
1960	II	322	490	241	478	1,001	−523	3,301	2,113	+1,188	...	...	...	115.1	133.4	9.1	2.8	31.1	−28.3
	III	339	483	246	508	928	−420	2,929	2,129	+ 800	...	...	...	125.9	135.8	4.1	2.7	26.2	−23.5
	IV	327	495	232	616	835	−219	3,138	2,565	+ 573	...	...	...	139.4	134.3	2.1	3.7	26.2	−22.5
1961	I	318	476	233	540	802	−262	2,014	3,006	− 992	...	...	...	113.6	155.8	2.8	2.5	23.6	−21.1
	II	310	526	235	537	862	−325	2,805	2,840	− 35	...	...	...	121.9	175.4	8.6	3.3	32.8	−29.5
	Jul	338	490	249	507	690	−183	2,598	2,678	− 80	...	...	...	130.5	176.6	9.1	3.7	20.3	−16.6
	Aug	345	465	265	614	715	−101	3,052	...	...	...	...	...	130.7	187.0	2.2	2.9	22.9	−20.0

		LAOS (*kip*)			NORTH BORNEO (*Malayan dollar*)			PAKISTAN (*rupee*)			PHILIPPINES[g] (*U.S. dollar*)			SARAWAK (*Malayan dollar*)			SINGAPORE[a] (*Malayan dollar*)		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1954		3	47	− 44	6.4	6.2	+0.2	99	92	+ 7	33.4	39.9	− 6.5	35.5	33.2	+ 2.3	224	252	−28
1955		4	55	− 51	8.7	7.3	+1.4	125	90	+35	33.4	45.6	−12.2	39.8	36.8	+ 3.0	281	322	−41
1956		4	103	− 99	10.1	9.8	+0.3	135	166	−31	37.8	42.2	− 4.4	40.6	38.7	+ 1.9	286	327	−41
1957		3	122	−119	10.0	10.1	−0.1	134	174	−40	35.9	51.1	−15.2	41.6	38.6	+ 3.0	290	338	−48
1958		5	87	− 82	10.9	10.7	+0.2	118	157	−39	41.1	46.6	− 5.5	38.6	36.1	+ 2.5	262	312	−50
1959		7	86	− 79	14.8	13.0	+1.8	127	140	−13	44.1	43.6	+ 0.5	44.4	37.9	+ 6.5	287	326	−39
1960		6	79	− 73	18.6	16.3	+2.3	156	258	−102	46.7	50.3	− 3.6	40.7	37.1	+ 3.6	290	340	−50
1960	II	6	112	−106	19.1	16.9	+2.2	172	282	−110	56.7	48.0	+ 8.7	44.4	37.2	+ 7.2	300	344	−44
	III	5	46	− 41	18.0	16.6	+1.4	122	238	−116	42.7	58.2	−15.5	40.0	36.6	+ 3.4	282	332	−50
	IV				20.2	17.3	+2.9	172	299	−127	42.6	51.4	− 8.8	35.2	37.8	− 2.6	289	335	−46
1961	I	5	98	− 93	16.3	16.0	+0.3	177	247	− 70	35.3	46.0	−10.7	31.8	35.9	− 4.1	266	316	−50
	II	...	...	...	16.0	18.5	−2.5	127	278	−151	*49.0*	*50.0*	*− 1.0*	35.6	38.7	− 3.1	284	341	−57
	Jul	...	...	...	19.6[f]	18.1[f]	+1.5[f]	114	298	−184	*41.0*	*53.0*	*−12.0*	...	...	...	271	364	−93
	Aug	...	...	...				146	244	− 98	*44.0*	*63.0*	*−19.0*	...	...	...	*271*	*330*	−59

		THAILAND (*baht*)			VIET-NAM[h] (*piastre*)		
		Exports	Imports	Balance	Exports	Imports	Balance
1954		376	556	−180	164	946	−782
1955		543	600	− 57	202	768	−566
1956		577	630	− 53	132	635	−503
1957		628	703	− 75	235	842	−607
1958		537	685	−148	161	677	−516
1959		630	749	−119	219	655	−436
1960		719	786	− 67	250	701	−451
1960	II	662	763	−101	258	691	−433
	III	668	790	−122	323	646	−323
	IV	796	777	− 19	219	769	−550
1961	I	905	790	+115	260	757	−497
	II	752	855	−103	212	697	−485
	Jul	855	813	+ 42	...	...	...
	Aug	823	1,043	−220	...	...	...

General Notes: Special trade system for Cambodia, China: Taiwan, Indonesia, Iran, Republic of Korea, Laos, North Borneo, Sarawak and Viet-Nam; general trade for other countries. Figures on imports include aid unless otherwise specified.

a. Including trade between Singapore and Federation of Malaya.

b. For 1958 only, products wholly or principally of Hong Kong origin.

c. Conversion rate of the rupiah changed in January 1960 from 11.4 to 45.0 per US dollar.

d. Data on Special Procurement not included in data for exports and imports.

e. Prior to 1955, figures based on foreign exchange settlements at the Bank of Korea. From 1955 onwards, government imports are still based on [illegible] settlements, all exports and private imports are based on data of Bureau of Customs.

f. Average of third quarter.

g. Imports valued f.o.b.

h. Prior to January 1955, excluding trade with Cambodia and Laos but including transit trade of these countries with other countries through Viet-Nam. Beginning June 1955, trade of the Republic of Viet-Nam only.

7. DIRECTION OF INTERNATIONAL TRADE

Quarterly averages or quarters

Million dollars

a of origin r imports nd area lestination r exports	Year and Quarter	BURMA		CAMBODIA		CEYLON		CHINA: Taiwan		FEDERATION OF MALAYA		HONG KONG		INDIA		INDONESIA[b]	
		Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
1. countries	1953	59.4	44.2	...	...	82.3	84.5	31.9	45.5	75.2	73.1	120.8	170.6	279.0	300.2	210.0	191.2
	1954	62.1	51.1	...	...	95.0	73.4	23.3	52.8	76.2	66.1	120.3	164.9	295.6	323.8	214.0	157.3
	1955	56.7	45.2	10.0	11.9	101.8	76.7	30.8	50.2	112.3	78.1	127.5	180.0	319.1	353.4	236.4	157.8
	1956	61.5	49.4	9.3	13.7	91.1	85.8	29.6	48.4	117.0	186.2	163.0	221.2	312.8	427.2	220.5	213.3
	1957	52.5	74.0	12.9	14.6	88.3	94.7	37.1	53.1	114.2	90.0	149.8	243.0	337.5	538.6	242.4	199.2
	1958	45.3	50.8	13.9	18.7	86.7	90.1	39.0	56.6	101.7	81.3	141.1	211.5	304.0	453.7	183.8	128.3
	1959	55.7	55.7	14.4	16.5	88.8	105.3	39.2	57.9	136.4	83.3	157.3	229.8	327.0	465.9	218.1	114.7
	1960	55.3	64.8	17.4	23.7	93.2	102.9	41.0	74.2	169.4	106.8	186.2	251.9	333.5	531.1	210.1	143.5
	1960 III	48.4	66.0	21.4	23.7	90.7	113.7	30.1	77.7	175.8	111.7	192.8	267.8	314.4	560.4	196.5	141.5
	IV	29.3	63.5	20.5	25.1	89.3	96.1	47.5	74.1	164.5	112.4	187.3	205.1	384.5	598.3	209.9	171.0
	1961 I	47.7	48.1	16.1	20.9	90.9	88.2	52.6	103.0	139.7	97.8	180.8	263.1	337.3	638.0	134.3	200.4
	II	70.0	60.0	22.7	27.6	88.7	81.2	53.4	79.8	148.0	106.1	171.0	283.1	333.0	544.3	187.2	189.0
2. AFE ntries[a] luding an)	1953	45.0	22.9	...	...	16.6	34.9	21.8	17.5	13.5	35.2	90.0	93.4	54.4	42.5	72.2	78.2
	1954	52.2	26.3	...	...	19.0	32.6	18.8	20.7	14.0	31.9	72.5	76.1	48.7	62.4	86.0	64.8
	1955	40.4	22.0	4.3	7.4	15.4	35.0	25.6	18.0	16.1	38.7	69.0	91.7	62.4	70.2	81.1	48.0
	1956	45.5	23.1	3.3	8.8	17.4	39.6	23.0	19.9	20.7	40.6	93.1	115.6	55.5	76.6	85.2	77.0
	1957	39.0	35.8	5.3	8.3	15.9	43.6	28.9	20.6	28.2	43.4	75.8	120.7	56.7	97.0	105.6	68.8
	1958	34.1	26.4	4.9	9.5	8.5	38.8	31.2	25.2	26.3	40.5	62.9	114.9	54.0	86.2	88.2	51.8
	1959	38.7	29.8	5.0	8.7	9.9	42.4	32.3	26.7	34.7	42.2	57.3	119.8	61.8	72.0	91.7	50.0
	1960	[illegible]	[illegible]	[illegible]	[illegible]	12.9	41.8	30.1	30.3	42.0	57.5	64.6	136.5	57.8	87.8	93.7	69.2
	1960 III	34.5	36.2	8.4	12.5	11.9	52.1	20.6	34.5	47.5	62.4	63.5	134.1	53.1	78.9	90.6	64.3
	IV	16.0	32.8	7.6	11.6	11.4	42.8	33.6	32.7	36.2	58.2	70.3	142.6	59.8	104.9	102.0	81.0
	1961 I	...	...	5.7	12.1	7.8	35.2	38.0	35.6	34.2	52.6	67.1	122.8	61.5	68.1	67.1	98.5
	II	...	...	7.7	11.1	9.0	32.1	32.6	31.6	47.5	52.5	62.7	132.8	68.7	91.2	75.6	...
3. an	1953	11.2	7.3	...	...	0.5	3.6	14.5	13.5	5.0	1.9	9.7	16.8	14.2	6.5	9.4	31.8
	1954	14.6	11.2	...	...	0.8	4.0	11.9	17.6	5.3	2.2	5.0	20.3	8.6	8.8	12.5	34.2
	1955	11.4	9.6	0.1	1.2	0.6	5.2	18.3	15.3	7.3	3.6	6.4	23.0	13.8	16.9	18.3	21.6
	1956	9.4	8.2	0.4	2.6	0.8	6.0	11.0	17.6	9.8	3.8	13.9	35.5	15.7	22.9	18.4	33.4
	1957	5.9	17.7	0.3	2.4	1.4	6.8	13.1	17.6	14.4	3.6	10.0	33.4	14.4	28.6	10.0	30.0
	1958	2.5	12.2	0.1	3.3	2.0	8.2	16.3	22.4	13.4	3.2	5.2	26.1	13.6	20.8	6.8	17.4
	1959	2.1	12.6	0.6	2.2	2.2	7.8	16.3	23.4	24.6	4.5	10.1	33.7	18.1	21.5	8.3	17.1
	1960	2.9	14.0	1.2	3.7	2.9	8.7	15.5	26.2	29.0	7.3	10.1	41.2	18.0	28.5	8.6	23.0
	1960 III	1.2	17.3	1.0	4.2	2.4	9.0	8.9	30.7	33.4	6.9	9.2	38.2	13.7	27.3	8.8	24.1
	IV	1.6	17.1	1.7	4.3	2.4	9.1	16.4	27.6	24.5	9.4	10.0	42.6	17.9	38.0	7.8	27.1
	1961 I	2.3	10.9	0.4	4.2	2.2	10.3	19.6	30.6	23.8	7.9	10.9	36.3	19.8	31.1	4.6	49.3
	II	...	...	0.4	2.9	2.5	7.4	16.9	27.2	34.9	7.3	9.9	38.8	25.1	52.4	12.2	...
4. stern ope luding UK)	1953	6.4	16.9	...	...	30.4	27.3	3.9	6.3	36.8	28.3	10.5	50.9	102.7	127.8	74.2	65.2
	1954	5.4	20.2	...	...	34.8	24.2	1.4	4.5	37.2	27.2	10.6	42.4	122.2	144.2	71.6	52.0
	1955	8.8	18.8	3.1	3.7	38.8	26.6	1.7	3.5	58.3	31.4	15.9	41.6	126.6	159.2	79.3	60.4
	1956	7.6	18.9	3.1	3.0	35.8	30.2	1.8	4.5	54.8	36.4	18.6	46.9	130.6	219.6	80.8	75.8
	1957	4.9	27.2	3.3	4.4	31.6	29.2	1.3	4.9	50.0	36.5	20.7	61.2	119.3	265.6	78.0	73.6
	1958	4.4	17.1	3.8	7.3	37.8	30.4	1.5	4.9	42.8	31.9	24.9	46.9	116.2	190.9	47.4	42.2
	1959	8.9	18.2	4.8	5.9	36.4	35.9	2.2	5.6	50.5	32.0	29.7	50.5	126.1	206.9	72.0	34.7
	1960	10.2	19.5	6.4	8.7	36.5	32.8	2.5	8.3	72.6	37.7	38.5	59.8	125.0	221.1	46.1	41.8
	1960 III	10.0	17.7	6.9	6.4	35.3	32.2	3.1	8.1	74.7	38.4	40.6	57.9	116.4	220.2	33.7	41.2
	IV	9.3	18.3	8.4	9.3	34.7	29.6	3.6	6.7	71.2	40.1	37.5	61.0	155.1	223.5	34.9	53.9
	1961 I	...	...	7.8	4.5	36.2	32.1	3.1	8.1	64.7	35.9	41.1	65.1	125.2	280.4	23.6	53.7
	II	...	...	9.2	11.8	34.7	29.2	3.8	8.2	55.1	40.5	40.7	68.7	106.9	235.5	36.5	...
5. ted gdom	1953	4.4	11.8	...	...	20.4	19.0	2.1	2.0	18.5	23.1	5.2	20.8	78.5	74.2	4.4	13.5
	1954	3.9	12.5	...	...	26.4	15.4	0.7	1.3	14.9	21.3	7.1	16.2	93.1	79.2	9.8	8.5
	1955	4.8	11.5	0.2	0.1	26.5	16.2	0.9	0.6	26.5	24.1	11.0	19.3	88.3	84.8	23.0	8.7
	1956	4.6	10.4	0.1	0.2	26.3	18.3	0.7	0.8	23.2	27.2	13.0	22.4	96.7	109.1	19.6	12.9
	1957	3.2	15.7	—	0.2	24.1	19.4	0.3	0.8	24.6	26.8	14.7	29.2	84.5	125.2	17.6	11.4
	1958	3.4	9.4	0.1	0.4	29.7	21.8	0.2	1.0	20.7	24.5	17.2	23.2	87.3	88.5	24.0	6.8
	1959	4.9	10.7	—	0.2	25.2	26.0	0.4	0.9	19.2	21.4	20.2	25.1	90.4	90.7	47.7	7.6
	1960	5.2	9.0	1.1	0.5	26.4	22.8	0.7	1.1	247	26.0	26.6	29.1	91.6	105.8	22.9	11.8
	1960 III	5.7	7.6	0.8	0.6	25.2	22.3	0.6	1.4	22.2	25.5	28.5	27.7	89.2	100.7	10.4	10.4
	IV	4.4	8.2	3.2	0.5	25.4	22.2	1.4	0.7	22.3	28.5	26.0	28.8	119.9	111.8	16.2	16.5
	1961 I	5.7	[illegible]	[illegible]	[illegible]	[illegible]	21.3	[illegible]	1.7	[illegible]	23.7	28.4	33.3	84.1	123.9	8.6	12.0
	II	...	...	1.7	1.4	27.2	18.4	1.6	1.3	16.8	26.5	28.5	32.8	69.8	108.0	9.3	...
6. tern ope	1953	—	0.2	...	...	0.2	0.6	—	—	1.5	0.2	—	1.0	1.8	2.0	1.1	1.4
	1954	0.2	0.6	...	...	0.1	0.6	—	—	1.9	0.2	—	1.0	2.8	4.0	1.8	3.3
	1955	5.6	0.4	—	—	0.1	0.4	—	—	2.1	0.2	—	0.8	2.2	4.2	6.7	7.2
	1956	5.6	3.8	—	—	0.1	0.4	—	—	4.7	0.3	—	0.8	9.1	13.8	3.0	2.8
	1957	4.4	5.2	—	—	0.3	0.4	—	—	3.4	0.4	—	0.6	12.6	19.8	2.2	1.6
	1958	2.8	3.4	—	0.2	0.3	0.4	—	—	9.6	0.2	—	0.4	16.0	17.7	2.7	1.0
	1959	2.4	2.5	0.2	0.5	1.7	1.3	—	—	18.7	0.2	—	0.5	22.5	16.2	5.0	1.9
	1960	2.0	3.9	1.4	1.3	3.1	1.4	—	—	17.2	0.3	—	0.8	23.8	17.8	8.9	3.7
	1960 III	0.9	4.5	2.7	1.7	0.9	1.9	—	—	15.5	0.2	—	0.8	19.3	21.9	10.9	4.4
	IV	0.2	1.8	2.3	1.2	5.6	1.9	—	—	27.0	0.3	—	0.9	26.6	19.9	11.9	6.3
	1961 I	...	...	0.6	1.5	7.6	1.2	—	—	15.3	0.3	—	1.1	24.3	26.5	7.3	8.7
	II	...	...	0.7	1.5	3.9	1.5	—	—	8.2	0.6	—	1.0	30.7	30.2	11.4	...

7. DIRECTION OF INTERNATIONAL TRADE *(Cont'd)*

Quarterly averages or quarters

Million dollars

Area of origin for imports and area of destination for exports	Year and Quarter	BURMA		CAMBODIA		CEYLON		CHINA: Taiwan		FEDERATION OF MALAYA		HONG KONG		INDIA		INDONESIA[b]	
		Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
7. North America	1953	1.1	1.8	...	...	10.8	3.6	1.4	19.4	21.0	2.2	4.3	12.5	58.6	57.0	48.4	35.1
	1954	0.3	2.1	...	...	10.2	2.6	1.3	25.3	18.7	1.5	5.0	14.8	54.2	44.2	36.6	23.0
	1955	0.3	1.4	2.6	0.7	14.5	5.4	1.4	24.6	29.7	1.7	6.4	16.3	61.1	52.2	49.9	24.2
	1956	0.4	1.4	2.5	1.5	12.8	4.2	1.7	20.6	31.7	2.1	7.8	20.6	58.0	53.6	36.2	35.6
	1957	0.9	3.0	2.6	0.8	12.5	4.4	1.4	21.6	26.2	2.5	12.0	25.8	81.3	97.2	37.8	33.7
	1958	0.4	2.2	3.7	1.7	11.6	5.3	2.5	21.6	17.7	1.8	20.6	21.4	61.2	103.4	33.1	20.6
	1959	0.6	2.7	3.5	1.3	13.6	8.3	3.6	21.2	24.9	2.1	33.6	26.3	60.5	115.4	36.5	18.8
	1960	0.2	2.5	2.0	2.3	13.4	4.6	5.0	28.9	27.0	3.2	39.7	37.3	65.9	136.0	49.0	23.2
	1960 III	0.2	2.0	2.1	2.7	13.4	5.6	5.1	31.9	26.9	3.5	41.8	37.5	63.3	170.5	[illegible]	27.9
	IV	0.3	2.3	1.4	2.7	12.4	4.5	6.7	28.3	21.2	4.4	32.4	31.4	70.3	185.0	[illegible]	20.8
	1961 I	...	...	0.9	2.6	12.5	3.4	7.5	43.6	17.4	2.6	29.2	37.9	70.1	[illegible]	[illegible]	27.5
	II	...	...	0.8	2.8	13.2	5.6	13.1	34.6	29.1	4.0	32.3	45.3	[illegible]	112.1	[illegible]	...
8. United States of America	1953	1.1	1.8	...	...	6.4	2.7	1.3	17.9	19.0	2.0	3.3	9.9	51.2	47.2	43.0	34.8
	1954	0.3	2.1	...	...	6.2	1.9	1.3	24.6	16.4	1.3	4.1	12.4	46.2	38.8	35.9	22.7
	1955	0.3	1.3	2.6	0.6	9.3	2.4	1.4	23.9	26.7	1.5	5.2	14.3	48.7	47.2	41.8	23.9
	1956	0.4	1.4	2.4	1.4	7.4	2.1	1.7	20.4	28.2	1.8	6.5	18.6	46.0	49.5	35.3	35.3
	1957	0.6	2.9	2.5	0.8	7.8	3.6	1.3	21.2	23.1	2.2	10.0	23.6	69.3	89.4	36.9	33.3
	1958	0.4	2.2	3.7	1.7	7.1	4.0	2.4	21.1	15.2	1.6	15.6	19.2	48.9	84.8	32.6	20.4
	1959	0.6	2.5	3.5	1.2	8.6	7.2	3.4	20.9	21.9	1.8	27.2	22.8	50.2	102.6	35.8	18.4
	1960	0.2	2.3	1.9	2.2	8.6	3.7	4.7	28.3	23.6	2.9	33.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1960 III	0.2	2.0	2.1	2.7	8.3	3.8	4.8	31.3	22.9	2.4	34.8	30.4	[illegible]	158.5	[illegible]	27.0
	IV	0.2	2.2	1.3	2.6	7.1	4.0	6.5	27.6	18.6	4.8	27.0	26.3	[illegible]	[illegible]	[illegible]	[illegible]
	1961 I	0.6	1.9	0.9	2.5	8.3	3.1	7.2	42.7	15.0	2.4	23.8	33.5	55.2	217.7	[illegible]	25.3
	II	...	...	0.8	2.9	7.4	4.3	12.7	33.9	25.0	3.7	26.5	41.4	57.5	91.2	[illegible]	...
9. Latin American Republics	1953	—	—	...	...	0.4	—	0.4	0.1	1.4	—	—	0.4	16.1	1.5	0.4	0.2
	1954	—	—	...	...	0.2	—	0.3	0.2	1.8	—	—	5.0	12.2	4.8	1.4	—
	1955	—	0.2	—	0.1	0.5	2.4	0.1	0.1	2.6	—	—	1.0	11.8	3.0	6.6	0.1
	1956	—	—	—	0.1	0.7	1.7	0.1	—	1.7	0.1	0.1	2.5	8.6	1.3	0.6	2.1
	1957	—	—	—	—	1.0	—	0.1	0.1	3.4	0.1	1.1	1.1	11.4	1.3	0.8	0.1
	1958	—	—	—	—	0.5	—	0.2	0.1	1.7	0.1	1.1	0.8	10.4	0.9	0.6	—
	1959	—	—	—	0.1	0.5	—	—	0.1	3.0	0.1	3.0	1.4	8.0	1.3	0.3	1.6
	1960	—	—	—	0.1	0.5	—	—	0.1	4.2	0.1	3.2	1.8	8.6	1.0	0.8	0.9
	1960 III	—	—	—	0.1	0.6	—	—	0.2	4.5	0.2	3.4	3.3	11.3	1.2	1.3	0.8
	IV	—	—	—	—	0.5	—	—	0.1	4.4	0.1	3.4	2.6	10.1	1.0	0.6	0.6
	1961 I	—	—	—	—	0.3	—	—	0.1	4.8	0.1	2.9	2.6	7.0	0.6	0.1	1.9
	II	...	...	0.1	—	0.4	—	—	0.1	4.2	—	3.4	3.1	4.5	2.5	0.4	...
10. Oceania	1953	—	1.1	...	...	8.7	9.2	0.2	0.6	0.8	6.6	2.1	2.5	10.2	14.5	6.0	4.4
	1954	—	1.0	...	...	11.2	5.6	0.1	0.6	1.5	4.3	3.0	2.8	14.6	8.7	8.6	3.2
	1955	—	1.3	—	—	10.2	4.6	—	0.2	1.9	4.5	3.6	3.7	16.7	11.2	6.3	3.1
	1956	—	1.6	—	—	7.3	5.0	—	0.5	1.6	4.9	3.8	4.8	14.8	7.3	9.4	4.6
	1957	—	1.7	—	—	6.9	5.7	—	0.3	1.5	5.4	4.5	5.2	16.6	10.2	12.1	4.6
	1958	0.1	1.2	—	—	7.9	3.0	0.1	0.6	2.1	5.0	5.0	5.2	14.7	8.6	12.2	1.7
	1959	—	1.6	—	—	7.6	5.1	0.1	0.6	3.2	5.0	5.5	6.2	13.0	6.8	8.4	2.1
	1960	0.1	1.6	—	0.1	8.0	5.4	0.1	1.0	4.6	5.9	7.5	6.4	16.0	12.5	[illegible]	[illegible]
	1960 III	—	1.8	—	0.1	9.6	7.5	0.1	0.8	5.1	5.5	9.4	7.0	20.6	13.9	[illegible]	[illegible]
	IV	—	1.0	—	0.1	6.1	6.4	0.1	1.3	2.9	5.6	8.5	6.8	18.0	18.7	[illegible]	[illegible]
	1961 I	—	—	—	—	7.7	4.4	0.1	1.0	1.7	5.5	6.6	5.1	12.0	8.3	[illegible]	[illegible]
	II	...	...	—	0.1	7.2	3.7	0.2	2.3	2.6	6.5	5.8	6.9	13.6	9.6	[illegible]	...
11. Sterling area	1953	34.0	28.2	...	...	39.1	53.5	8.3	6.4	24.5	39.3	32.2	45.4	146.9	145.1	67.8	63.0
	1954	38.8	28.1	...	...	52.6	42.6	5.7	4.3	22.7	24.5	36.2	36.6	167.7	162.5	84.3	45.2
	1955	27.4	23.4	1.6	2.8	54.5	45.3	5.0	2.5	34.9	38.6	42.5	42.4	164.9	162.3	84.9	47.5
	1956	29.1	19.6	2.2	4.3	48.3	46.8	8.3	3.1	32.7	42.8	46.1	48.0	164.1	172.4	84.1	61.0
	1957	32.7	31.9	4.1	4.8	45.8	51.8	11.7	8.4	34.1	42.2	48.6	55.6	157.3	192.0	108.2	57.3
	1958	29.5	20.0	4.3	4.1	46.5	46.0	8.6	7.3	29.2	40.0	50.8	45.1	154.3	161.2	95.6	32.3
	1959	35.3	24.8	3.9	4.6	42.2	57.1	8.0	6.2	29.4	37.6	56.9	56.2	155.5	144.2	118.3	[illegible]
	1960	.—	22.7	5.8	5.8	43.9	55.3	10.6	5.9	39.4	42.5	69.3	59.7	152.3	178.8	[illegible]	[illegible]
	1960 III	26.1	19.6	7.3	6.7	45.0	61.2	8.9	5.2	38.6	42.8	73.4	57.4	151.4	171.6	[illegible]	[illegible]
	IV	18.8	21.6	7.9	5.7	41.2	54.4	13.1	6.0	33.4	44.7	72.3	59.1	285.0	195.3	105.7	[illegible]
	1961 I	...	...	6.7	6.7	44.7	47.0	10.9	6.2	33.4	40.6	60.6	57.1	150.6	175.7	64.2	[illegible]
	II	...	...	7.9	7.3	46.4	42.7	13.9	6.4	28.2	45.6	81.0	67.5	136.6	169.7	[illegible]	...
12. ECAFE sterling countries[a]	1953	26.1	14.9	...	...	3.1	19.6	5.5	3.7	4.8	9.3	20.1	18.5	32.4	32.5	56.0	[illegible]
	1954	31.9	14.4	...	...	6.0	18.5	4.8	2.4	5.4	6.7	19.4	14.3	31.2	49.1	65.3	[illegible]
	1955	21.4	10.6	1.4	2.7	6.4	22.1	3.7	1.6	4.9	8.7	20.6	16.2	31.8	40.0	54.5	[illegible]
	1956	25.3	7.6	2.2	4.1	5.2	21.2	6.7	1.8	6.1	9.1	21.6	16.7	28.1	31.2	55.6	[illegible]
	1957	26.0	13.7	4.1	4.6	3.1	23.6	7.8	2.2	6.4	8.6	21.7	15.4	29.4	31.8	78.1	[illegible]
	1958	24.0	9.2	4.2	3.7	2.5	18.2	6.6	2.2	5.0	9.0	21.4	11.2	29.2	20.4	59.5	[illegible]
	1959	27.6	12.1	3.8	4.4	3.6	22.6	6.8	2.1	5.6	9.7	22.5	17.8	29.9	23.8	[illegible]	[illegible]
	1960	23.5	10.8	4.7	5.1	3.7	23.8	8.2	2.5	8.2	9.2	25.4	17.4	26.1	34.4	[illegible]	[illegible]
	1960 III	20.0	11.6	6.5	6.2	5.2	30.1	7.8	2.2	9.5	9.7	25.0	16.1	26.1	33.8	[illegible]	[illegible]
	IV	12.9	9.1	4.7	4.9	3.0	22.9	9.7	3.0	6.7	10.2	27.7	16.1	28.7	33.0	[illegible]	[illegible]
	1961 I	...	...	4.6	5.8	4.7	17.0	9.7	3.4	6.5	11.0	26.5	16.3	29.7	22.1	[illegible]	[illegible]
	II	...	...	6.3	5.9	3.2	17.6	10.1	2.6	7.5	11.0	27.0	14.0	28.8	23.9	[illegible]	[illegible]

GENERAL NOTES: (1) For details and explanatory notes, see United Nations *Direction of International Trade* (Statistical Paper series T).

(2) As complete breakdowns are not given, the sum of total trade of any individual country with different regions does not add up to the total given under trade with "all countries".

(3) See "general note" to table 6.

(4) Trade between the Federation of Malaya and Singapore is excluded.

a. ECAFE countries comprise:

i) Sterling countries — Brunei, Burma, Ceylon, Federation of Malaya, Hong Kong, India, North Borneo, Pakistan, Sarawak and Singapore.

ii) Non-sterling countries—Afghanistan, Cambodia, China: Taiwan, Indonesia, Iran, Japan, Korea, Laos, Philippines, Thailand and Viet-Nam.

7. DIRECTION OF INTERNATIONAL TRADE *(Cont'd)*

Quarterly averages or quarters

Million dollars

a of origin r imports nd area destination r exports	Year and Quarter	JAPAN		KOREA, Republic of		LAOS		PAKISTAN		PHILIPPINES		SINGAPORE		THAILAND[c]		VIET-NAM[f]	
		Exp.	Imp.	Exp.	Imp.[c]	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.[e]	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
1. countries	1953	318.7	602.4	9.9	66.9	...	...	109.7	87.5	101.0	114.2	171.3	191.4	87.1	75.8	...	...
	1954	407.3	599.8	6.1	55.4	...	...	89.7	81.2	101.3	120.7	177.8	190.3	73.0	67.8	...	...
	1955	502.7	617.9	4.5	85.0	0.4	4.7	100.2	72.3	100.2	136.9	227.2	234.0	90.8	75.0	17.2	65.8
	1956	625.2	807.4	6.2	96.6	0.3	8.8	85.0	104.1	112.8	126.6	223.2	253.1	83.6	92.4	11.3	54.4
	1957	714.6	1,071.0	5.6	110.0	0.3	10.4	84.2	110.0	107.9	153.6	226.5	267.7	91.2	103.2	19.9	72.1
	1958	719.2	758.4	4.1	94.6	0.4	6.8	74.4	99.1	123.3	140.5	202.6	253.2	77.2	96.1	13.8	58.0
	1959	864.1	899.9	4.8	70.7	3.6	6.8	80.0	88.3	132.4	127.3	222.2	253.7	89.8	104.8	18.8	56.2
	1960	*1,013.9*	*1,123.3*	*8.0*	*82.3*	*4.7*	*5.3*	*98.3*	*162.6*	*136.9*	*150.6*	*215.2*	*263.4*	*102.1*	*114.0*	*21.0*	*59.9*
	1960 III	*1,049.4*	*1,131.8*	*8.1*	*69.2*	*1.4*	*4.5*	*77.2*	*150.2*	*128.2*	*174.7*	*208.3*	*253.5*	*95.0*	*112.3*	*27.7*	*55.4*
	IV	*1,161.9*	*1,119.4*	*11.2*	*78.5*			*108.5*	*184.8*	*127.7*	*154.2*	*200.1*	*266.5*	*112.6*	*119.4*	*17.3*	*65.0*
	1961 I	*946.9*	*1,298.6*	*7.5*	*63.3*	*0.2*	*3.7*	*111.7*	*154.7*	*103.4*	*138.0*	*187.6*	*254.4*	*129.3*	*114.1*	*22.3*	*64.9*
	II	*1,015.4*	*1,461.3*	*9.8*	*98.4*	*0.2*	*6.0*	*79.9*	*175.3*	*147.0*	*151.0*	*201.3*	*276.4*	*106.6*	*122.4*	*18.1*	*59.8*
2. AFE ntries[a] luding an)	1953	142.7	164.0	2.2	30.8	...	...	37.0	13.6	13.4	13.9	63.9	118.1	63.5	35.0	...	...
	1954	173.6	144.8	2.5	27.2	...	...	26.5	17.2	14.5	20.3	59.5	115.6	50.0	32.8	...	...
	1955	179.9	182.7	2.8	9.1	0.3	2.9	37.2	17.1	16.9	25.8	70.8	152.0	53.8	36.2	5.6	17.4
	1956	222.7	195.2	2.6	4.9	0.3	5.5	30.0	12.6	22.9	26.3	82.1	160.5	51.2	46.8	1.4	19.7
	1957	247.9	210.2	3.8	5.5	0.2	6.1	27.4	23.9	22.7	35.9	92.8	168.7	58.5	48.1	3.9	24.0
	1958	218.8	162.2	2.8	5.4	0.2	3.7	17.2	24.8	27.2	39.0	89.9	164.5	46.4	48.7	4.3	19.1
	1959	240.8	192.2	3.5	14.0	3.6	1.9	20.5	22.0	33.1	38.6	80.2	175.4	51.2	51.1	3.8	19.8
	1960	*312.4*	*225.9*	*6.0*	*24.2*	*4.7*	*2.0*	*30.9*	*38.2*	*36.8*	*54.5*	*79.4*	*177.0*	*64.8*	*54.3*	*5.6*	*20.0*
	1960 III	*331.2*	*225.1*	*5.9*	*21.0*	*1.3*	*2.4*	*28.7*	*30.3*	*34.4*	*77.6*	*74.0*	*168.0*	*60.5*	*50.6*	*5.5*	*18.0*
	IV	*382.5*	*203.9*	*9.6*	*23.8*			*21.9*	*56.6*	*34.4*	*69.0*	*79.1*	*176.6*	*78.2*	*64.4*	*3.6*	*25.9*
	1961 I	*316.2*	*227.8*	*6.4*	*21.4*	*0.2*	*2.6*	*34.4*	*33.8*	*27.9*	*36.4*	*73.2*	*152.0*	*84.3*	*58.3*	*5.2*	*23.9*
	II	*341.1*	*249.6*	*7.5*	*25.6*	...	...	*22.4*	*40.7*	...	...	*70.9*	*158.4*	*71.0*	*61.4*	*6.9*	*20.1*
3. an	1953	.	.	1.5	26.7	...	...	21.4	4.5	12.0	5.1	7.9	8.6	21.2	13.1	...	...
	1954	.	.	1.8	17.2	...	...	7.8	8.7	12.6	7.3	8.2	9.8	17.3	16.3	...	...
	1955	.	.	1.8	4.2	—	0.4	11.6	10.2	15.2	10.8	16.2	15.9	15.8	15.8	0.4	8.8
	1956	.	.	2.0	2.3	—	1.4	10.6	5.2	20.1	12.8	17.6	17.2	7.2	15.2	0.1	14.0
	1957	.	.	2.7	2.9	—	2.3	11.0	4.0	19.5	18.4	19.9	18.4	7.2	21.1	1.0	15.4
	1958	.	.	2.4	3.6	—	1.1	7.5	5.6	24.2	20.3	15.4	22.0	5.8	22.5	0.2	11.2
	1959	.	.	3.2	8.0	—	0.6	6.6	5.1	29.2	22.5	16.0	19.9	10.5	26.4	0.5	11.9
	1960	.	.	*5.0*	*17.4*	—	*0.3*	*7.1*	*13.8*	*32.3*	*39.6*	*12.8*	*24.4*	*18.1*	*29.2*	*0.6*	*13.2*
	1960 III	.	.	*5.4*	*14.9*	—	*0.3*	*7.0*	*12.8*	*29.1*	*63.6*	*12.6*	*23.4*	*12.5*	*27.8*	*0.8*	*12.0*
	IV	.	.	*8.3*	*15.7*			*4.9*	*14.0*	*30.7*	*53.2*	*11.7*	*26.9*	*27.1*	*34.4*	*0.5*	*20.3*
	1961 I	.	.	*4.6*	*14.7*	—	*0.4*	*8.2*	*12.3*	*24.6*	*26.7*	*12.0*	*28.1*	*15.8*	*34.7*	*0.1*	*16.6*
	II	.	.	*5.6*	*21.2*	...	...	*5.7*	*13.7*	...	...	*16.6*	*26.2*	*15.1*	*35.7*	*0.9*	*13.5*
4. stern ope luding UK)	1953	28.9	50.8	0.1	4.2	...	...	53.6	25.4	13.8	5.8	44.4	44.3	3.3	24.7	...	...
	1954	36.9	49.2	0.1	4.4	...	...	43.4	39.2	20.2	10.7	52.2	45.1	6.4	22.7	...	...
	1955	49.0	43.8	0.3	5.9	—	1.4	42.2	31.4	18.1	12.4	78.3	50.8	7.5	24.4	5.9	35.2
	1956	63.7	58.0	0.9	3.7	—	2.3	39.0	29.6	23.5	16.3	73.5	55.9	8.1	28.4	7.7	17.9
	1957	79.6	97.5	0.8	2.0	0.1	2.8	37.8	42.8	22.8	23.2	62.1	60.4	8.4	34.1	10.5	30.5
	1958	82.3	65.9	0.6	3.6	0.1	2.1	39.6	38.8	23.3	18.6	54.1	52.7	11.3	27.9	7.9	23.7
	1959	89.5	87.6	0.6	16.6	—	4.4	34.5	35.9	22.5	20.7	60.7	46.6	8.4	32.6	10.7	19.6
	1960	*116.8*	*98.1*	*1.1*	*19.7*	—	*3.0*	*37.0*	*67.9*	*26.5*	*20.0*	*60.9*	*52.9*	*14.3*	*35.6*	*11.0*	*22.0*
	1960 III	*105.0*	*96.2*	*1.1*	*15.0*	—	*1.8*	*24.5*	*64.6*	*31.6*	*18.7*	*57.9*	*50.7*	*10.3*	*33.4*	*16.1*	*20.6*
	IV	*140.6*	*102.8*	*0.9*	*13.6*			*49.5*	*72.5*	*23.6*	*18.7*	*57.9*	*56.1*	*20.9*	*34.5*	*10.6*	*21.6*
	1961 I	*119.2*	*118.6*	*0.2*	*13.1*	—	*0.7*	*41.5*	*65.8*	*14.5*	*20.5*	*57.8*	*60.6*	*23.7*	*33.3*	*11.0*	*20.6*
	II	*144.3*	*143.7*	*0.9*	*17.2*	...	...	*21.9*	*71.4*	...	...	*56.5*	*72.3*	*16.3*	*35.1*	*6.6*	*20.9*
5. ted gdom	1953	8.3	12.2	0.1	0.6	...	...	21.1	14.4	1.3	1.1	21.1	31.0	0.6	10.0	...	...
	1954	12.8	9.3	0.1	1.5	...	...	17.4	23.2	1.2	2.3	22.1	27.8	1.8	8.1	...	...
	1955	15.2	9.5	—	1.1	—	0.1	15.2	17.6	1.4	3.2	35.8	32.3	1.8	8.6	0.4	1.1
	1956	15.8	16.6	0.2	0.6	—	0.3	13.6	14.4	1.7	3.8	33.0	34.7	2.6	10.6	0.1	0.9
	1957	18.4	24.6	0.2	0.3	—	0.6	13.4	21.0	1.7	5.8	25.1	36.6	2.8	11.6	—	1.6
	1958	26.3	14.8	0.2	0.4	—	0.3	14.7	17.6	1.6	4.8	20.9	32.7	4.1	10.3	0.3	1.6
	1959	25.8	25.9	0.2	2.0	—	2.9	14.8	15.6	2.2	5.4	22.4	26.5	2.7	10.8	0.6	1.5
	1960	*30.0*	*24.8*	*0.5*	*2.3*	—	*2.2*	*17.1*	*28.6*	*2.9*	*5.7*	*23.4*	*29.7*	*4.5*	*11.5*	*1.2*	*1.7*
	1960 III	*24.2*	*25.4*	*0.2*	*2.1*	—	*1.1*	*10.3*	*30.5*	*2.5*	*6.2*	*24.3*	*29.3*	*2.5*	*11.2*	*1.6*	*1.6*
	IV	*41.8*	*30.3*	*0.3*	*2.1*			*15.3*	*31.2*	*3.1*	*1.9*	*20.4*	*28.9*	*9.6*	*11.8*	*1.3*	*1.7*
	1961 I	*42.7*	*28.0*	*0.1*	*1.4*	—	*0.1*	*14.6*	*30.4*	*2.3*	*4.8*	*22.8*	*36.2*	*11.9*	*10.2*	*2.2*	*2.1*
	II	*21.8*	*35.4*	*0.2*	*1.0*	...	...	*8.8*	*32.9*	...	...	*21.2*	*34.6*	*7.5*	*11.3*	*1.3*	*1.8*
6. tern ope	1953	1.0	1.4	—	—	...	...	3.2	0.4	—	—	2.8	1.4	—	0.1	...	...
	1954	1.3	1.1	—	—	...	...	2.0	0.7	—	0.1	2.1	0.9	—	—	...	...
	1955	3.8	0.8	—	—	—	—	1.7	0.2	—	—	2.7	0.8	0.1	—	—	—
	1956	0.6	0.8	—	—	—	—	1.3	0.4	—	—	6.3	1.0	—	0.5	—	0.1
	1957	3.9	4.6	—	—	—	—	2.8	0.9	—	—	8.3	1.1	—	0.8	—	—
	1958	5.1	5.9	—	—	—	—	3.7	2.1	—	—	10.8	0.8	—	0.8	—	—
	1959	9.6	11.0	—	—	—	—	3.0	1.2	—	—	19.6	0.8	0.1	0.8	—	—
	1960	*17.1*	*23.5*	—	—	—	—	*4.4*	*3.6*	—	—	*14.8*	*1.3*	*2.2*	*1.4*	—	—
	1960 III	*14.7*	*30.6*	—	—	—	—	*2.2*	*3.3*	—	—	*18.3*	*1.0*	*0.3*	*1.8*	—	—
	IV	*32.4*	*24.4*	—	—	—	—	*3.3*	*3.3*	—	—	*13.1*	*1.2*	*8.1*	*1.6*	—	—
	1961 I	*12.4*	*31.3*	—	—	—	—	*7.4*	*2.2*	—	—	*11.5*	*1.6*	*0.6*	*1.3*	—	—
	II	*14.7*	*37.3*	—	—	...	...	*4.1*	*2.7*	...	...	*20.2*	*1.6*	*0.2*	*2.2*	—	—

7. DIRECTION OF INTERNATIONAL TRADE *(Cont'd)*

Quarterly averages or quarters

Million dollars

Area of origin for imports and area of destination for exports	Year and Quarter	JAPAN		KOREA, Republic of		LAOS		PAKISTAN		PHILIPPINES		SINGAPORE		THAILAND[c]		VIET-NAM[f]	
		Exp.	Imp.	Exp.	Imp.[c]	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.[e]	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
7. North America	1953	65.2	242.4	7.6	27.8	...	...	7.4	4.2	69.6	90.6	24.1	10.3	17.7	14.6	...	...
	1954	83.2	266.0	3.5	23.0	...	...	6.1	6.2	62.4	85.4	25.3	11.9	14.0	11.5	...	...
	1955	134.8	255.5	1.8	62.1	—	0.3	8.4	8.6	60.3	93.6	37.9	11.8	26.6	13.4	4.0	8.0
	1956	164.5	358.6	2.7	82.1	—	0.9	8.5	6.8	61.0	79.2	28.0	15.1	21.0	14.9	2.1	15.6
	1957	183.5	495.6	1.0	98.6	—	1.5	9.8	34.4	56.7	88.5	27.0	12.6	18.3	17.9	2.8	16.6
	1958	214.3	339.4	0.7	83.0	—	0.9	8.3	31.0	68.2	76.2	19.4	10.6	14.4	17.5	1.3	14.4
	1959	315.5	372.4	0.6	37.8	—	0.5	9.8	25.8	73.6	61.9	30.2	11.2	22.2	18.9	1.6	15.2
	1960	337.4	479.3	0.9	35.8	—	0.3	9.7	44.2	63.7	67.5	[illegible]	14.1	14.4	20.4	0.9	16.0
	1960 III	336.9	491.1	1.1	29.2	—	0.3	6.5	45.3	55.5	67.4	22.9	15.7	11.8	20.5	1.3	14.8
	IV	362.3	477.9	0.7	37.3			12.2	43.2	68.0	57.9	19.1	14.4	13.8	21.3	0.6	15.8
	1961 I	265.2	575.0	0.9	25.3	—	0.4	9.5	36.8	59.1	69.4	18.2	14.7	9.0	15.8	0.5	17.3
	II	291.4	668.5	1.4	53.2	...	...	11.8	50.3	...	...	24.3	19.0	8.6	19.9	0.9	13.1
8. United States of America	1953	58.5	189.4	7.6	24.0[d]	...	...	7.2	4.1	63.0	87.8	20.2	9.5	17.5	14.2	...	...
	1954	70.7	212.3	3.5	21.9[d]	...	...	6.0	5.2	61.6	81.6	21.2	10.9	13.6	11.0	...	...
	1955	114.3	193.5	1.8	60.9[d]	—	0.3	7.7	8.0	60.0	[illegible]	32.4	10.7	26.2	12.8	4.0	7.9
	1956	137.9	266.8	2.7	81.2[d]	—	0.9	7.8	6.5	60.6	75.1	23.2	13.5	20.8	14.2	2.1	15.2
	1957	151.6	406.6	1.0	98.5[d]	—	1.5	9.6	30.1	58.2	[illegible]	22.4	11.4	18.1	16.9	2.8	16.4
	1958	173.1	264.4	0.7	82.5[d]	—	0.9	7.9	27.0	67.6	73.2	15.8	9.5	14.0	16.8	1.3	13.7
	1959	262.8	279.0	0.6	35.5	—	0.4	8.3	20.9	73.2	57.9	23.8	10.2	22.2	17.6	1.6	14.6
	1960	275.0	386.8	0.9	33.4	—	0.3	8.6	40.7	69.4	64.2	19.8	12.8	14.3	19.0	0.9	15.2
	1960 III	275.4	396.8	1.1	28.3	—	0.3	5.3	43.4	55.0	63.0	18.0	14.3	11.9	19.8	1.3	13.9
	IV	278.4	367.5	0.7	36.3			10.5	37.7	67.9	55.8	14.7	13.2	13.6	17.3	0.6	14.9
	1961 I	208.7	472.5	0.9	23.9	—	0.4	7.7	31.9	58.7	67.5	14.3	14.5	9.0	15.3	0.5	17.3
	II	242.1	545.6	1.4	52.6	...	...	11.1	47.2	...	...	20.1	17.7	8.5	19.3	0.9	13.1
9. Latin American Republics	1953	26.1	66.2	—	0.5	...	...	0.5	—	2.8	0.2	3.7	0.1	—	—	...	...
	1954	50.3	77.2	—	0.3	...	...	0.9	—	3.0	0.7	4.9	0.2	0.1	—	...	...
	1955	44.8	60.7	—	0.3	—	—	1.6	—	3.6	0.7	8.1	0.2	0.2	—	—	—
	1956	41.0	87.3	—	0.2	—	—	0.9	—	3.8	1.2	4.9	0.4	0.2	—	—	0.4
	1957	37.3	77.1	—	—	—	—	1.2	2.8	3.6	0.9	9.2	0.4	0.2	0.1	0.1	0.2
	1958	48.4	64.7	—	—	—	—	0.8	0.4	2.6	1.2	5.6	0.3	—	0.1	—	0.6
	1959	56.0	81.3	—	0.1	—	—	1.9	—	2.5	1.4	7.3	0.2	0.1	—	—	0.5
	1960	69.4	76.9	—	—	—	—	1.8	—	2.5	1.4	7.8	0.3	0.5	0.5	—	0.8
	1960 III	66.5	82.7	—	—	—	—	2.5	—	4.1	1.5	7.8	0.2	—	2.1	—	0.9
	IV	80.1	99.9	—	—	—	—	2.2	—	0.5	1.0	6.2	0.5	1.9	0.4	—	0.9
	1961 I	71.9	94.7	—	0.1	—	—	3.2	—	0.2	1.1	5.6	0.6	—	2.6	—	—
	II	78.4	105.0	—	0.2	...	...	2.2	0.4	...	...	7.8	0.2	0.1	0.7	—	—
10. Oceania	1953	3.6	50.2	—	3.4	...	...	1.4	0.5	0.2	0.3	15.5	7.4	—	1.0	...	...
	1954	8.8	34.0	—	0.7	...	...	1.6	0.5	0.2	0.8	15.3	7.2	—	0.6	...	...
	1955	17.2	50.8	—	0.2	—	—	1.4	0.6	0.3	1.3	17.4	7.8	0.1	0.8	—	0.2
	1956	10.8	71.6	—	0.1	—	—	0.6	0.6	0.3	1.4	19.8	9.1	0.1	1.0	—	0.1
	1957	14.6	109.4	—	—	—	—	0.5	4.6	0.2	2.7	16.1	10.2	0.2	1.2	—	0.1
	1958	19.9	65.0	—	0.2	—	—	0.6	0.9	0.2	2.8	11.5	9.0	0.2	1.0	—	0.2
	1959	25.5	84.9	—	2.0	—	0.1	1.8	0.9	0.3	2.8	12.8	9.5	0.4	1.1	—	0.1
	1960	42.0	95.0	—	2.0	—	—	2.5	3.6	0.4	2.3	15.6	9.2	0.5	1.4	—	—
	1960 III	52.1	96.1	—	7.4	—	—	3.2	4.0	0.7	2.5	15.8	10.1	0.3	1.0	—	—
	IV	56.1	96.8	—	2.2	—	—	3.7	4.4	0.3	1.9	15.0	7.1	1.1	2.3	—	—
	1961 I	30.8	101.3	—	2.0	—	—	2.7	3.5	0.4	2.6	11.2	10.1	0.4	1.0	—	—
	II	27.3	137.9	—	1.1	...	...	2.4	1.2	...	...	11.1	11.7	0.2	0.9	—	—
11. Sterling area	1953	79.0	150.6	0.8	7.4	...	...	37.0	33.4	2.3	[illegible]	67.3	71.8	39.9	30.3	...	...
	1954	[illegible]	108.4	0.7	10.8	...	...	33.6	32.6	2.4	[illegible]	[illegible]	[illegible]	[illegible]	22.5	...	...
	1955	160.2	147.2	0.5	5.0	—	0.4	38.5	25.9	2.6	[illegible]	85.3	79.1	35.7	26.7	2.4	3.5
	1956	171.2	204.4	0.7	2.2	0.1	1.7	32.4	20.7	4.0	12.4	84.8	87.3	38.8	40.0	0.6	2.3
	1957	201.7	280.4	1.2	1.2	0.1	2.0	30.3	37.6	3.8	17.2	78.1	82.3	43.9	35.9	1.4	3.3
	1958	199.9	197.8	0.5	1.6	0.1	1.3	24.9	29.4	2.6	14.6	62.2	84.2	38.7	33.0	2.1	3.8
	1959	215.0	276.4	0.5	6.4	3.5	3.3	36.1	25.5	4.0	13.7	66.4	76.0	42.6	32.2	3.8	3.6
	1960	276.3	278.8	1.3	6.6	4.6	2.6	44.6	45.9	5.6	18.2	74.0	82.0	47.4	33.3	4.3	3.1
	1960 III	292.4	279.2	0.7	5.5	1.2	1.6	33.5	45.5	6.2	21.0	73.3	81.6	51.7	32.3	6.3	3.2
	IV	339.8	274.2	1.9	7.9			53.4	57.6	4.2	15.5	73.6	78.9	43.6	36.4	4.3	3.1
	1961 I	260.8	273.7	1.8	5.3	0.1	0.5	41.2	52.5	4.3	15.8	66.8	86.6	62.5	30.9	6.1	2.9
	II	231.0	347.5	2.0	4.1	...	...	37.0	59.1	...	...	64.8	87.4	51.8	31.7	4.2	2.0
12. ECAFE sterling countries[a]	1953	47.8	82.1	0.7	3.3	...	...	13.2	6.6	0.6	4.5	26.0	29.0	37.8	19.1	...	...
	1954	72.0	60.2	0.6	8.5	...	...	11.6	6.3	0.7	6.7	27.2	21.2	28.0	13.7	...	...
	1955	87.3	74.6	1.0	3.8		0.2	16.9	5.5	0.7	7.3	25.5	31.7	31.6	17.0	...	...
	1956	99.2	92.2	0.5	1.6	—	1.3	13.8	4.6	1.6	7.1	29.1	34.6	34.5	26.6	1.9	2.3
	1957	111.0	105.2	1.0	0.9	0.1	1.4	12.0	11.1	1.4	8.2	30.9	31.4	38.0	21.9	0.6	1.2
	1958	94.9	78.0	0.3	0.8	0.1	0.9	5.4	10.4	0.6	5.6	23.8	31.9	31.5	21.2	1.3	1.5
	1959	101.5	101.0	0.3	2.2	3.5	0.4	11.2	7.6	1.3	4.8	24.6	32.3	36.3	19.8	1.8	1.9
	1960	134.7	112.4	0.8	2.4	4.6	0.4	16.9	11.0	1.6	7.2	28.7	36.6	40.0	19.9	3.0	2.0
	1960 III	138.5	125.1	0.4	2.1	[illegible]	[illegible]	14.2	8.5	2.1	7.5	28.1	37.3	41.9	17.9	3.2	1.5
	IV	150.0	89.5	1.1	3.6			[illegible]	[illegible]	[illegible]	[illegible]	29.8	32.7	36.5	23.7	4.7	1.6
	1961 I	133.5	107.0	1.7	1.8	0.1	0.5	13.5	14.7	1.2	5.6	27.2	32.7	47.7	18.7	3.0	1.4
	II	130.6	123.9	1.7	1.7	...	...	14.1	19.3	...	...	27.0	32.7	41.3	18.6	3.9	0.8

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b. Figures for trade with the Netherlands are as follows:—

	Exp.	Imp.
1953	48.4	22.4
1954	41.3	16.4
1955	37.7	17.7
1956	42.9	22.8
1957	40.7	19.6
1958	7.8	8.3
1959	2.3	4.3
1960	0.6	4.4

		Exp.	Imp.
1959	III	1.9	4.8
	IV	1.5	5.4
1960	I	0.6	3.8
	II	0.4	4.9
	III	[illegible]	[illegible]
	IV	0.8	5.6
1961	I	[illegible]	[illegible]
	II	[illegible]	

c. Figures prior to 1955 for Republic of Korea and 1956 for Thailand are derived from trade returns of partner countries. Totals for geographical and currency areas may not be complete.

d. Including some imports of aid goods from countries other than the United States.

e. Imports valued f.o.b.

f. See footnote "g" to table 6.

8. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
BRUNEI *(Malayan dollar)*													
Food	1.40	1.35	1.16	1.10	1.06	1.11	...	...	...	1.10	...	...	...
Mineral fuels, lubricants and related materials	0.24	0.21	0.29	0.25	0.21	0.17	...	...	...	0.18	...	...	...
Chemicals	0.32	0.34	0.42	0.41	0.29	0.35	...	...	...	0.29	...	...	...
Textiles	0.15	0.21	0.17	0.15	0.10	0.11	...	...	...	0.11	...	...	...
Machinery	1.30	1.46	1.55	1.11	0.68	0.72	...	...	...	0.63	...	...	...
Transport equipment	0.51	0.70	0.58	0.55	0.34	0.23	...	...	...	0.21	...	...	...
Other manufactured goods	3.29	3.93	3.25	2.40	1.89	1.93	...	...	...	...	...	...	...
BURMA *(kyat)*													
Food	8.0	6.8	10.9	10.0	10.0	*10.5*	9.2	11.5	*10.7*	...	...	...	...
Chemicals	5.4	7.1	10.3	5.4	6.5	8.3	8.8	6.9	7.6	...	...	...	...
Textiles	16.6	22.4	33.0	15.8	22.9	...	...	...	...	...	...	...	...
Base metals and manufactures	8.4	6.9	14.1	9.8	9.2	*11.1*	12.4	11.8	*11.2*	*7.6*	*7.6*	*6.3*	...
Machinery	7.3	10.1	12.0	15.7	12.7	*17.1*	16.4	19.3	*16.3*	*11.2*	*14.9*	*17.0*	...
Transport equipment	5.7	6.3	11.2	6.7	6.5								
Other manufactured goods	9.3	9.7	13.9	9.2	9.7	...	...	...	...	...	...	...	...
CAMBODIA *(riel)*													
Food	15.1	16.5	20.5	22.5	24.8	*25.7*	24.0	*28.3*	*25.2*	*19.4*	29.7	...	...
Beverages and tobacco	9.0	5.2	6.7	8.0	6.8	*8.1*	8.8	*7.0*	*8.5*	*8.0*	10.8	...	...
Mineral fuels, lubricants and related materials	11.8	9.9	5.3	3.5	25.5	*18.0*	6.5	*27.8*	*20.1*	*21.3*	24.0	...	...
Textiles	27.8	33.4	35.0	40.1	25.0	*61.3*	49.9	*52.2*	*51.7*	*36.4*	34.6	...	...
Base metals and manufactures	13.1	13.6	20.0	23.4	26.0	*35.3*	237.	*23.1*	*31.8*	*36.0*	37.2	...	...
Machinery	11.3	16.1	11.9	29.0	20.6	*35.7*	35.6	*25.3*	*36.8*	*30.0*	46.7	...	...
Transport equipment	8.7	9.7	9.1	22.6	13.3	*25.6*	25.8	*23.4*	*31.9*	*29.6*	43.6	...	...
CEYLON *(rupee)*													
Food	50.3	56.7	59.4	57.8	65.7	61.8	50.7	79.3	57.6	50.1	45.0	56.3	37.0
Cereals and cereal preparations	26.1	28.3	29.0	26.0	33.0	26.0	19.0	38.5	22.6	17.2	19.7	20.6	14.8
Mineral fuels, lubricants and related materials	12.0	10.6	18.7	11.8	12.6	12.0	11.2	12.6	7.6	11.4	10.7	6.8	16.6
Chemicals	7.6	8.2	10.1	8.7	11.2	10.7	11.5	10.1	10.3	9.7	10.0	11.7	10.0
Textiles	11.3	13.4	13.6	15.1	14.2	15.5	14.8	15.5	17.3	14.9	13.5	18.4	16.2
Machinery	7.1	8.7	9.5	10.6	12.8	11.5	11.0	11.2	13.2	12.1	12.6	13.5	17.0
Transport equipment	5.9	6.9	7.3	8.9	14.7	12.9	16.6	11.0	8.1	8.6	6.8	7.9	6.4
Other manufactured goods	21.8	25.1	25.3	24.1	30.2	33.7	34.6	34.7	33.2	29.0	25.4	28.6	28.4
CHINA: Taiwan *(new Taiwan dollar)*													
Food	26.6	42.2	33.6	46.7	49.6	83.7	144.1	33.7	106.8	108.6	73.9	...	...
Crude materials, inedible, except fuels	63.5	92.1	107.4	93.0	138.5	195.8	182.7	191.4	248.0	267.2	246.7	...	...
Oil-seeds, oil nuts and oil kernels	19.0	23.3	25.0	20.4	28.8	43.1	30.2	51.7	66.1	67.3	30.1	...	...
Textile fibres, raw	31.8	37.1	43.7	41.8	55.6	82.4	90.5	80.9	90.0	86.8	156.3	...	...
Mineral fuels, lubricants and related materials	21.3	26.2	46.3	36.6	49.0	68.1	84.0	29.6	59.3	178.1	33.7	...	...
Chemicals	44.8	75.7	62.1	103.2	146.1	137.7	109.1	192.3	144.8	139.0	148.5	...	...
Base metals and manufactures	25.9	45.7	48.0	47.9	77.9	87.3	89.6	113.3	76.8	98.2	112.6	...	...
Machinery	43.8	60.6	74.9	76.2	134.0	187.1	278.9	235.6	127.0	227.6	223.2	...	...
Transport equipment	8.0	14.2	16.6	23.3	39.1	56.0	92.2	53.1	43.3	147.8	28.5	...	...
Other manufactured goods	21.4	30.6	37.3	28.9	42.2	59.8	53.1	56.0	73.9	55.3	64.5	...	...
FEDERATION OF MALAYA[a] *(Malayan dollar)*													
Food	39.8	43.7	44.0	44.0	42.5	46.5	45.1	49.1	47.1	47.1	48.4	48.7	*41.1*
Cereals and cereal preparations	14.5	15.6	15.5	15.8	15.6	16.3	15.9	19.1	16.1	15.1	17.5	...	...
Crude materials, inedible, except fuels	14.1	16.5	17.3	15.2	17.6	28.3	26.9	31.4	26.8	19.4	21.1	26.6	*28.1*
Metal ores and scrap	5.3	5.9	7.3	4.4	5.1	11.4	10.4	16.6	12.0	6.8	8.0	...	...
Mineral fuels, lubricants and related materials	10.5	11.3	12.5	11.2	10.7	12.4	13.4	14.1	11.6	12.2	12.8	12.2	*11.1*
Textiles	8.9	8.3	8.4	7.3	8.3	10.0	8.7	9.7	10.3	10.0	9.1	...	...
Machinery	8.3	10.6	11.7	10.4	11.7	15.7	14.7	15.8	18.2	17.3	19.7	38.5	*33.1*
Transport equipment	6.2	8.6	8.6	8.0	8.4	11.7	12.7	11.9	12.0	11.6	12.6		
Other manufactured goods	23.7	26.8	27.3	22.5	24.5	30.8	28.8	29.6	36.7	32.5	34.7	...	...
INDIA *(rupee)*[b]													
Food	94.6	84.7	[b] 162.5	1,488	128.9	130.2	*77.1*	*143.7*	*132.4*	*237.3*	*58.0*	...	...
Crude materials, inedible, except fuels	94.2	99.6	93.5	66.7	78.6	125.2	*147.7*	*149.5*	*100.5*	*112.9*	*113.6*	97.2	...
Cotton raw and waste	44.6	44.7	40.5	25.6	29.0	62.6	*45.6*	*85.7*	*36.9*	*64.4*	*53.1*	56.0	...
Petroleum and products	78.3	90.4	89.6	63.2	65.0	65.3	*55.8*	*54.4*	*72.1*	*49.1*	*63.4*	24.0	...
Chemicals	44.0	49.0	64.0	54.4	71.0	71.7	*71.3*	*71.6*	*68.4*	*74.9*	*83.2*	60.5	...
Base metals and manufactures	69.0	131.2	191.2	125.6	120.2	147.8	*156.8*	*158.7*	*156.6*	*154.1*	*149.6*	133.4	...
Machinery	76.9	127.5	194.1	157.4	163.5	193.9	*207.7*	*197.8*	*197.6*	*255.1*	*283.9*	233.8	...
Transport equipment	56.2	64.4	63.2	49.6	58.7	50.2	*59.2*	*46.0*	*50.1*	*75.5*	*49.4*	39.4	...
Other manufactured goods	68.2	90.8	66.4	43.8	44.3	47.5	*15.9*	*52.6*	*14.9*	*48.6*	*50.3*	42.9	...
INDONESIA *(rupiah)*													
Live animals, food products, beverages and tobacco	63.2	177.2	133.0	114.8	99.1	*501.9*	448.4	*422.0*	*506.0*	397.4	563.7	253.8	...
Chemicals and allied products	53.4	55.9	59.9	43.2	50.7	*159.1*	115.8	*191.6*	*212.1*	206.2	240.8	318.6	...
Textiles, apparel and footware	175.4	202.2	165.8	101.6	84.5	*582.7*	620.7	*620.3*	*652.0*	1,033.6	536.9	696.6	...
Base metals and manufactures	72.2	80.4	111.4	53.4	60.4	*211.3*	203.2	*188.3*	*315.7*	260.1	250.4	241.5	...
Machinery and transport equipment	102.4	145.7	134.7	88.5	82.2	*395.2*	442.1	*433.1*	*471.9*	574.6	749.9	676.0	...

8. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS *(Cont'd)*

Monthly averages or calendar months *Millions*

	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
IRAN* *(rial)*[c]		[c]											
Food, beverages and tobacco	146.3	326.2	371.4	...	...	...	...	...	...	...	...	...	...
Sugar	78.8	189.1	180.1	180.1	*151.2*	...	...		...	...	...	...	...
Tea	58.6	78.6	137.8	124.2	[illegible]	...	...	...	...	...	...	...	...
Chemicals	73.6	61.8	88.7	128.5	*198.2*	...	...	...	...	...	...	...	...
Textiles	117.3	270.4	312.3	...	...	...	...	...	...	...	...	...	...
Base metals and manufactures	230.5	185.0	288.6	390.2	*483.6*	...	...	...	...	...	...	...	...
Machinery	237.2	230.3	298.0	565.2	*861.7*	...	...	...	...	...	...	...	...
Transport equipment	129.1	151.4	169.2	279.8	381.7	...	...	...	...	...	...	...	...
JAPAN *(thousand million yen)*													
Food	18.34	16.47	17.06	15.66	14.50	15.87	15.08	17.43	17.01	18.16	19.42	20.38	19.72
Cereals and cereal preparations	13.20	11.08	9.36	9.43	8.69	8.73	8.82	9.67	9.12	9.34	10.12	10.90	9.74
Sugar and sugar preparations	3.64	4.02	5.08	3.85	3.40	3.64	3.17	3.90	3.44	4.96	4.01	4.06	3.92
Crude materials, inedible, except fuels	36.77	51.31	60.29	38.98	52.04	65.08	66.79	64.43	59.40	72.86	85.15	86.08	90.00
Oil-seeds, oil nuts & oil kernels	4.41	4.01	4.23	4.04	4.93	5.62	4.52	5.91	4.49	6.28	6.79	5.36	5.02
Crude rubber	2.24	2.66	3.05	2.59	4.25	5.31	5.37	5.34	3.98	3.70	4.27	4.23	4.72
Textile fibres, raw	17.57	23.16	23.86	18.23	19.56	22.84	25.40	20.07	19.63	29.11	34.21	29.72	27.34
Metal ores and scrap	5.57	13.70	20.78	7.73	14.89	20.20	19.92	21.47	20.29	22.00	26.98	31.93	34.25
Mineral fuels, lubricants and related materials	8.67	12.38	20.39	15.43	16.69	22.25	21.01	22.34	24.43	25.79	27.39	27.31	27.52
Chemicals	2.41	4.90	5.50	4.99	6.69	7.96	7.96	7.56	8.28	9.44	9.66	10.36	10.52
Machinery	3.29	3.93	7.26	9.11	8.96	9.48	8.65	9.44	10.21	12.25	14.75	13.60	16.82
Transport equipment	0.68	0.92	1.41	1.15	1.64	2.61	1.59	3.98	3.15	2.52	3.54	3.38	1.95
Other manufactured goods	2.41	5.68	15.26	4.42	5.93	9.53	10.52	8.85	9.78	11.11	12.97	14.13	19.32
KOREA, Republic of *(US$)*													
Food	1.46	3.66	8.96	5.46	2.28	2.63	2.72	3.04	2.56	2.14	3.08	2.69	4.26
Cereals and cereal preparations	0.53	2.60	7.03	4.25	1.46	1.71	1.82	2.00	1.64	1.42	2.36	1.95	3.60
Beverages and tobacco	0.48	0.84	0.63	0.34	—	—	—	—	—	—	—	—	—
Crude materials, inedible, except fuels	2.43	3.82	4.85	5.76	5.19	5.71	6.22	5.46	6.06	5.05	4.76	2.81	5.53
Chemicals	4.99	6.21	6.42	5.72	5.73	6.34	9.16	5.87	5.47	4.58	4.18	3.67	2.63
Textiles	2.87	2.44	1.36	1.06	1.32	1.51	1.29	1.66	1.72	1.23	1.28	1.65	2.14
Machinery	3.33	2.91	2.80	2.40	2.70	3.24	3.84	3.12	2.45	2.63	3.04	1.60	2.97
Transport equipment	1.44	0.66	0.82	0.66	0.58	0.10	0.04	0.03	0.27	0.08	0.14	0.02	0.18
Other manufactured goods	2.40	4.25	4.00	4.64	2.37	2.91	3.01	2.93	3.09	2.09	2.21	2.17	2.70
LAOS *(kip)*													
Food	15.2	18.0	17.0	16.5	19.8	22.2	32.3	15.5		28.6			
Cereals and cereal preparations	7.4	10.5	6.2	3.4	3.3	5.6	6.3	5.0		8.2			
Petroleum products	2.3	4.0	4.8	8.5	14.9	17.1	26.2	10.2		24.3			
Chemicals	2.9	5.6	8.4	4.5	4.7	4.3	7.5	2.6		6.2			...
Textiles	9.1	23.0	26.0	11.6	11.7	6.5	8.8	4.0		11.2			...
Machinery	3.9	6.9	7.8	8.3	8.9	7.1	8.4	4.2		6.7			
Transport equipment	3.5	12.0	18.7	10.1	6.9	4.1	5.0	1.8		4.2	...	...	
Other manufactured goods	11.5	24.6	28.1	16.5	57.7	13.0	18.1	5.9		12.5	...	...	...
NORTH BORNEO *(Malayan dollar)*													
Food	1.89	2.54	2.33	2.53	2.43	2.92	2.80	2.99	3.38	3.00	3.18		...
Mineral fuels, lubricants and related materials	0.44	0.51	0.48	0.40	1.43	1.34	1.13	1.44	1.53	1.15	1.22		...
Chemicals	0.32	0.41	0.44	0.44	0.58	0.65	0.74	0.59	0.70	0.72	0.88		
Textiles	0.53	0.69	0.55	0.47	0.50	0.73	0.68	0.76	0.78	0.74	0.96		
Machinery	0.57	0.68	0.89	0.96	1.62	2.43	3.03	2.23	2.29	2.36	2.90		...
Transport equipment	0.24	0.51	0.45	0.51	[illegible]	0.88	1.07	0.79	0.95	0.79	[illegible]		
Other manufactured goods	1.59	2.01	2.02	1.96	2.24	2.82	2.76	2.90	3.26	2.95	4.03		...
PAKISTAN *(rupee)*[d]													
Mineral oils	9.5	8.3	7.4	7.3	13.9	25.1	27.1	23.6	32.0	21.4	23.8	25.1	20.3
Chemicals	7.0	8.5	10.5	10.8	9.0	16.6	18.0	17.3	20.2	16.4	17.6	19.0	17.7
Iron and steel manufactures	8.3	15.5	18.8	19.7	14.2	27.7	22.5	28.7	36.2	29.5	37.9	52.3	35.4
Machinery	20.8	26.3	26.5	26.2	28.2	51.9	71.7	39.3	42.8	36.1	41.8	46.7	38.9
Transport equipment	4.1	7.7	9.5	10.7	9.4	17.2	17.6	16.5	23.1	22.3	22.7	21.1	16.2
PHILIPPINES *(US$)*[e]													
Food	8.53	7.35	9.00	9.81	5.69	7.12	8.08	7.74	5.63	7.24	[h] 6.00		
Cereals and cereal preparations	3.08	2.18	3.13	4.34	1.93	2.04	2.29	2.54	1.35	1.58	2.60		...
Mineral fuels, lubricants and related materials	4.49	4.37	4.82	5.08	4.98	4.98	4.81	4.78	5.75	4.15	4.43	...	...
Chemicals	3.66	3.23	4.76	4.27	4.90	4.57	4.63	3.91	4.76	4.18	5.54		...
Textiles	7.11	4.97	6.43	4.49	3.22	2.54	2.69	2.48	2.43	2.29	1.98		...
Machinery	6.18	8.06	9.01	8.16	9.03	8.97	9.84	8.79	7.83	9.84	12.62	...	...
Transport equipment	2.52	2.42	2.72	2.38	3.42	9.13	2.74	17.62	13.13	6.40	6.74	...	...
Other manufactured goods	10.83	9.99	12.34	9.85	9.56	9.77	11.46	9.58	9.32	7.80	10.59	...	...
SARAWAK *(Malayan dollar)*													
Food	4.32	4.36	4.57	4.04	4.65	4.95	4.99	5.62	4.81	5.56	4.81	...	...
Mineral fuels, lubricants and related materials	24.93	26.80	27.38	25.87	25.42	20.92	21.21	20.48	19.53	18.58	18.18		...
Chemicals	0.82	0.79	0.80	0.83	0.97	1.26	1.30	1.30	1.24	1.15	1.35	...	...
Textiles	0.61	0.54	0.47	0.42	0.61	0.78	0.95	0.71	0.57	0.75	0.79		...
Machinery	1.21	1.20	1.20	1.03	1.42	1.59	1.69	1.44	1.61	1.38	2.06	...	...
Transport equipment	0.37	0.45	0.38	0.36	0.37	0.58	0.48	0.66	0.67	0.57	0.64	...	...
Other manufactured goods	2.37	2.38	2.13	2.00	2.49	2.85	3.09	2.69	2.93	2.89	3.30	...	...

8. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS *(Cont'd)*

Monthly averages or calendar months

Millions

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
SINGAPORE (*Malayan dollar*)[f]													
Food	45.2	50.5	50.0	53.2	48.4	49.8	43.9	47.2	56.1	50.5	57.9	...	...
Cereals and cereal preparations	11.7	13.3	12.1	15.9	11.1	12.5	11.8	12.1	14.4	12.0	18.6	...	...
Crude materials, inedible, except fuels	59.5	54.9	57.0	50.8	72.9	70.8	76.3	60.9	60.7	47.9	58.0	...	...
Crude rubber	51.0	46.4	45.6	41.2	62.6	60.5	66.1	51.4	48.7	36.8	45.2	...	...
Mineral fuels, lubricants and related materials	50.0	59.1	65.2	55.8	50.0	49.3	49.2	54.7	49.8	49.2	45.9	...	...
Textiles	17.9	17.9	17.6	22.0	18.0	18.4	17.4	17.2	19.5	19.6	20.8	...	...
Machinery	10.3	12.2	13.5	12.3	11.4	13.6	13.3	14.4	13.5	17.2	20.8	...	...
Transport equipment	6.2	7.6	9.0	7.8	6.3	8.5	10.7	7.8	8.6	11.7	11.6	...	...
Other manufactured goods	30.2	34.1	37.7	33.3	31.0	35.9	35.0	34.8	39.9	39.9	42.0	...	...
THAILAND (*baht*)													
Food	51.5	55.2	57.8	65.1	61.0	59.5	57.9	63.8	64.2	56.7	67.2	84.6	75.0
Mineral fuels, lubricants and related materials	57.0	64.6	77.3	75.1	78.7	85.4	92.4	97.4	77.4	82.5	81.3	78.3	97.3
Chemicals	48.1	54.5	62.8	63.1	76.5	80.4	85.9	82.8	81.3	77.6	88.3	93.9	105.6
Textiles	113.4	120.3	113.7	102.0	115.8	111.7	91.8	108.0	131.0	144.3	137.0	109.2	164.9
Machinery	65.3	73.8	85.2	93.6	124.5	126.4	113.5	104.8	129.2	122.5	121.1	132.2	153.7
Transport equipment	48.7	53.1	73.7	61.4	58.8	70.2	79.2	83.3	55.5	72.8	82.3	52.0	92.5
Other manufactured goods	191.1	173.8	189.7	184.1	184.4	202.7	193.2	197.6	199.1	199.9	216.4	203.7	240.8
VIET-NAM (*piastre*)[g]													
Food	89.6	82.2	75.9	69.5	69.2	77.2	73.3	79.5	72.6	77.5	*67.6*	...	...
Petroleum and products	33.7	35.0	44.6	46.8	51.8	48.8	68.4	41.7	35.1	49.1	*50.4*	...	...
Textiles	111.2	123.5	128.7	108.5	73.9	76.6	55.2	60.3	116.4	96.8	*57.8*	...	...
Machinery	65.4	49.2	83.9	63.0	75.2	89.5	101.3	82.5	99.0	78.3	*83.0*	...	...
Transport equipment	52.3	32.6	58.3	53.4	42.0	42.8	39.2	34.2	57.8	40.7	*40.0*	...	...

GENERAL NOTE: See table 6.

a. Including trade with Singapore.

b. 1955 to 1956 figures, reclassified by ECAFE Secretariat, may not conform exactly to the new classification beginning from 1957.

c. Prior to 1956, transaction values converted from foreign currency to rials at the official rate of exchange and excluding the value of exchange certificates; beginning 1956, including the value of exchange certificates.

d. Figures including government account, except 1955 figures relating to private account only.

e. Imports valued f.o.b.

f Excluding trade with the Federation of Malaya.

g. See footnote h to table 6.

h. Averages of Apr-May for Philippines column 1961 II.

9. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
BRUNEI (*Malayan dollar*)													
Crude petroleum	23.91	25.78	26.14	25.04	24.38	20.01	20.34	19.50	18.61	52.20	...	...	...
Natural rubber	0.33	0.35	0.20	0.18	0.34	0.46	0.51	0.43	0.31	...	...	...	...
BURMA (*kyat*)													
Rice and products	68.1	72.3	66.7	56.9	62.8	60.3	86.4	48.5	21.4	*46.2*	*89.4*	*69.0*	...
Natural rubber	2.7	3.7	3.1	2.2	3.0	2.5	3.7	1.4	0.3	...	...	...	...
Teak	1.8	2.8	5.6	4.3	5.7	*7.7*	7.3	9.3	*8.4*	*8.3*	*4.9*	*1.0*	...
Raw cotton	3.2	4.3	*2.1*	*1.3*	*1.8*	*3.1*	3.4	1.9	2.9	*3.3*	...	...	...
Base metals and ores	4.9	5.2	3.9	2.9	3.5	*3.1*	2.9	3.8	*2.6*	*1.5*	*1.6*	*1.8*	...
CAMBODIA (*riel*)													
Rice	9.3	20.6	55.8	64.6	67.1	67.6	48.8	96.2	58.4	85.0	149.6	...	...
Maize	12.5	15.9	14.8	18.7	18.1	24.1	12.5	27.1	33.0	8.6	14.3	...	...
Natural rubber	51.1	42.2	47.7	51.2	57.9	81.5	47.9	89.4	125.7	57.1	53.8	...	...
CEYLON (*rupee*)													
Tea	99.5	87.0	85.1	94.2	87.1	91.3	89.8	94.2	87.6	92.3	98.3	107.6	100.3
Coconut and products	19.0	18.0	13.3	13.6	20.3	15.3	14.7	19.1	14.6	16.2	15.7	14.8	20.2
Natural rubber	29.2	24.4	25.0	21.5	24.8	31.5	27.0	20.3	30.8	26.0	18.4	26.2	22.4
CHINA (Taiwan, *new Taiwan dollar*)													
Rice	37.3	34.4	37.0	54.4	70.9	15.3	48.4		8.7	67.3	- -	...	...
Fruits, fresh, dried and preserved	12.3	18.4	16.2	26.3	43.5	46.3	54.8	61.0	37.3	61.2	61.3	...	...
Tea	7.0	10.2	11.8	13.1	21.0	17.4	12.5	19.0	19.0	33.1	28.2	...	...
Sugar	79.6	127.6	191.0	166.8	193.4	223.6	263.4	108.4	254.7	199.1	279.9	...	...
FEDERATION OF MALAYA[a] (*Malayan dollar*)													
Natural rubber	132.0	114.8	108.7	99.8	143.5	152.4	156.2	147.9	136.2	120.2	104.9	129.1	140.9
Iron ore	2.7	4.3	5.5	5.2	8.3	11.7	15.2	15.9	8.4	9.0	19.5	19.6	17.1
Vegetable oils	7.2	8.3	7.7	7.3	6.8	7.0	6.4	7.5	7.2	6.2	7.3	6.3	9.1
Tin metal	19.3	28.4	26.6	19.7	24.5	42.1	34.3	48.5	49.0	37.2	47.5	42.5	52.9
INDIA (*rupee*)[b]													
Food	131.2	157.6	[b] 149.3	160.3	161.8	160.9	*99.8*	*161.0*	*233.6*	*166.2*	*114.6*	*161.5*	*242.5*
Tea	94.3	118.5	102.8	113.8	105.3	100.0	*41.1*	*114.0*	*167.7*	*89.1*	*45.6*	*93.4*	*152.6*
Spices	8.8	7.7	7.0	7.4	8.5	14.7	*12.4*	*10.2*	*15.0*	*17.7*	*12.3*	*9.7*	*9.7*
Crude materials, inedible, except fuels	98.3	84.2	103.8	85.1	97.7	92.6	*107.1*	*68.3*	*95.7*	*101.8*	*107.6*	*87.9*	*93.7*
Hides and skins, undressed	5.6	5.1	5.8	6.0	8.9	8.4	*10.0*	*5.3*	*7.9*	*8.4*	*5.4*	*7.1*	*4.9*
Cotton raw and waste	28.9	20.9	15.6	17.7	13.6	3.9	*9.1*	*5.8*	*11.0*	*12.6*	*25.9*	*11.3*	*19.9*
Vegetable oils	31.2	17.4	9.5	6.2	11.6	8.3	*13.3*	*7.1*	*5.3*	*2.6*	*7.3*	*5.2*	*5.2*
Chemicals	4.1	4.5	4.6	3.7	4.1	5.8	*4.9*	*6.6*	*6.5*	*6.0*	*6.6*	*7.4*	*5.7*
Leather and manufactures	13.0	18.7	18.1	15.3	24.0	21.5	*22.8*	*18.8*	*20.6*	*21.2*	*23.7*	*21.2*	*20.8*
Cotton yarn and fabrics	53.0	51.9	57.2	43.9	55.1	52.4	*51.1*	*50.8*	*52.3*	*52.7*	*47.6*	*41.6*	*37.6*
Jute yarn and fabrics	102.9	94.6	49.6	49.6	55.5	62.4	*63.6*	*64.7*	*70.4*	*56.7*	*59.8*	*56.8*	*63.6*
Other manufactured goods	31.3	30.9	109.7	81.1	75.2	87.1	*89.6*	*95.5*	*93.6*	*94.7*	*124.0*	*101.4*	*119.4*

EXTERNAL TRADE

9. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS *(Cont'd)*

Monthly averages or calendar months *Millions*

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
INDONESIA *(rupiah)*													
Tea	29.7	28.3	28.4	23.6	19.2	104.0	105.9	99.0	102.2	96.9	100.7	120.7	109.7
Copra	40.4	43.3	42.9	19.9	30.2	127.2	97.4	92.0	165.7	91.4	186.5	217.8	185.8
Natural rubber	410.0	342.7	332.0	248.2	396.6	1,414.6	1,645.6	1,255.6	1,208.6	927.7	1,127.0	1,151.9	1,483.3
Tin ore	56.9	60.5	52.9	35.9	34.0	189.6	196.8	190.9	189.1	130.5	97.8	69.2	86.5
Petroleum and products	205.0	242.5	287.7	268.2	219.8	827.9	752.9	790.1	959.6	444.9	743.6	504.2	659.9
IRAN* *(rials)*													
Fruits, fresh, dried and preserved	97.8	113.2	124.7	135.3	...	...	...	...	...	...	...	...	...
Raw cotton	139.5	139.7	160.4	124.5	*139.6*	...	...	...	...	...	...	...	...
Petroleum and products	783.8	1,325.7	1,608.1	1,904.9	...	...	...	...	...	...	...	...	...
Carpets, hand made	104.7	105.3	123.2	110.4	*123.1*	...	...	...	...	...	...	...	...
JAPAN *(thousand million yen)*													
Food	3.98	5.32	5.36	6.92	7.63	7.83	6.84	7.29	10.57	6.82	6.19	7.50	9.71
Fish and fish preparations	2.27	3.62	3.66	5.13	5.35	5.24	4.36	4.74	7.77	4.21	3.41	4.87	6.38
Crude materials, inedible except fuels	2.94	2.86	2.79	2.27	3.28	3.69	3.63	4.08	4.02	2.95	3.67	4.07	3.99
Textile fibres, raw	1.74	1.65	1.74	1.13	1.98	2.37	2.23	2.74	2.61	1.79	2.38	2.66	2.62
Chemicals	2.82	3.21	3.79	4.13	5.01	5.08	5.21	5.23	4.62	5.48	6.15	5.44	5.02
Textiles	17.55	20.81	24.44	21.17	22.78	27.71	25.08	27.98	34.32	23.83	24.63	26.54	27.56
Base metals and manufactures	11.61	10.24	9.70	11.15	12.05	16.84	15.80	17.89	20.48	16.15	16.22	16.90	15.66
Machinery	3.83	5.07	6.21	7.08	11.16	14.93	14.57	15.68	17.38	15.06	19.23	20.18	19.80
Transport equipment	3.57	9.56	12.75	11.91	13.34	12.99	10.27	13.60	14.94	15.95	11.97	13.76	12.64
Other manufactured goods	12.97	16.76	20.12	20.10	27.00	30.61	32.29	32.43	31.07	25.61	29.53	34.31	34.04
KOREA, Republic of *(US$)*													
Food	0.09	0.13	0.28	0.28	0.34	0.81	0.63	0.64	1.70	0.55	0.72	0.59	0.52
Crude materials, inedible except fuels	1.22	1.71	1.22	0.88	0.98	1.32	1.42	1.50	1.57	1.37	1.89	2.35	1.78
Chemicals	0.01	—	—	—	0.01	0.03	0.03	0.03	0.04	0.03	0.04	0.02	0.04
Manufactured goods	0.11	0.19	0.34	0.21	0.18	0.34	0.54	0.39	0.22	0.28	0.45	0.44	0.29
LAOS *(kip)*													
Wood and lumber	1.00	0.28	0.13	0.58	1.07	0.29	0.32	0.36		0.38	...	...	...
Tin ore	0.75	1.34	1.50	1.60	2.11	2.78	3.57	2.06		2.55	...	...	...
Gums and resins	0.59	0.74	0.63	0.49	0.29	0.32	0.32	0.27		0.43	...	...	...
Plants for use in medicine and perfumery	0.09	0.24	0.13	0.58	0.84	0.49	0.13	0.66		0.36	...	...	...
NORTH BORNEO *(Malayan dollar)*													
Copra	1.18	1.94	2.00	2.68	2.93	3.35	3.94	3.57	2.75	2.54	1.82	...	...
Rubber	3.84	3.36	3.10	2.74	3.92	4.13	4.42	4.03	3.80	3.55	3.32	...	...
Timber	1.81	2.18	2.63	3.03	5.09	7.56	7.46	7.21	9.49	5.99	7.35	...	...
PAKISTAN *(rupee)*[c]													
Tea	2.9	4.5	2.0	2.8	2.4	0.8	—	0.1	0.3	—	—	—	—
Raw jute	58.0	62.6	65.2	70.0	56.7	66.8	56.4	45.7	102.4	99.9	33.0	24.3	64.6
Raw cotton	33.6	30.3	27.6	20.0	10.1	15.8	30.1	9.4	4.4	15.1	10.0	9.0	2.2
Raw wool	5.6	5.9	8.6	4.0	5.1	6.1	10.2	2.4	5.1	4.5	10.2	6.4	8.2
Hides and skins	2.6	3.3	3.4	3.4	6.8	5.8	8.2	4.2	3.8	4.3	6.3	6.7	6.2
PHILIPPINES *(US$)*													
Coconut and coconut preparations	12.34	14.24	14.04	14.96	14.89	14.43	15.86	16.99	10.76	5.34	*8.76*[g]	...	...
Sugar and related products	9.29	8.80	7.44	10.23	10.05	11.96	17.39	7.20	12.88	13.75	*17.98*	...	...
Fibres and manufactures	2.37	3.02	3.31	2.48	3.31	3.62	3.34	3.23	3.28	3.11	*2.44*	...	...
Minerals and metals	2.17	3.16	3.32	3.04	3.49	3.68	4.09	3.86	3.22	3.59	*3.98*	...	...
Logs, lumber and timber	3.46	4.07	3.76	5.80	6.70	7.63	10.10	6.48	6.96	5.23	*7.74*	...	...
SARAWAK *(Malayan dollar)*													
Pepper	2.64	2.05	1.44	1.26	1.51	1.43	1.17	1.67	1.73	1.57	2.60	...	...
Rubber	6.64	5.86	6.20	5.11	8.04	10.24	13.97	10.18	5.86	5.28	8.00	...	...
Timber, sawn and logs	1.83	1.59	1.63	1.63	2.59	3.63	3.70	3.38	3.83	3.34	3.80	...	...
Mineral fuels, lubricants and related materials	26.74	28.85	30.51	27.83	28.26	24.00	23.32	22.19	24.97	20.27	18.95	...	...
SINGAPORE *(Malayan dollar)*[d]													
Rubber	115.9	102.0	95.5	85.8	125.3	116.4	131.0	109.8	94.5	84.2	99.6	...	...
Mineral fuels	31.2	36.2	36.9	30.2	28.6	27.6	26.0	25.8	32.5	29.5	24.1	...	...
Vegetable oils	3.9	3.9	4.7	3.6	3.3	3.9	4.4	3.3	4.4	4.1	3.3	...	...
Tin metal	16.9	11.6	11.1	4.0	0.4	0.4	0.2	0.4	0.7	3.5	4.4	...	...
THAILAND *(baht)*[e]													
Rice	261.1	238.4	301.9	248.0	215.9	215.1	221.7	235.7	183.6	371.5	306.9	301.3	257.5
Natural rubber	150.2	127.2	117.2	110.6	194.7	215.0	206.1	195.4	190.5	187.1	136.8	292.0	246.8
Teak	22.0	25.5	21.8	19.9	20.4	29.7	35.3	31.0	24.0	18.9	24.8	23.6	24.3
Tin ore and concentrates	36.7	42.3	44.3	21.2	36.2	44.9	39.9	47.3	44.4	43.5	52.5	36.1	72.9
VIET-NAM *(piastre)*[f]													
Rice and products	26.2	1.1	59.3	40.6	69.2	80.2	114.3	96.3	33.9	98.4	67.9	...	...
Natural rubber	122.7	107.0	140.8	103.5	136.8	140.0	126.1	194.1	131.2	132.9	83.6	...	...

GENERAL NOTE: See table 6.

a. Including trade with Singapore.

b. Figures for 1955 to 1956, reclassified by ECAFE Secretariat, may not conform exactly to the new classification from 1957.

c. Figures including government account, except 1955 figures relating to private account only.

d. Excluding trade with the Federation of Malaya.

e. Baht value is obtained by converting foreign currencies at free market buying rate.

f. See footnote h table 6.

g. Averages of Apr-May for Philippines column 1961 II.

10. QUANTITY OF EXPORTS OF MAJOR COMMODITIES

Monthly averages or calendar months

Thousand tons

	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
RICE													
Burma	141.5	162.1	155.7	127.7	150.4	152.2	209.4	130.6	58.9	114.1	*204.0*	*159.0*	...
Cambodia	8.4	5.8	19.2	21.2	20.2	30.7	23.4	42.6	26.4	28.2	47.6	...	...
China (Taiwan)	14.2	9.1	10.1	14.9	13.3	2.9	9.2	—	1.7	11.7	—	...	...
Thailand	102.6	105.1	130.8	88.8	91.5	100.7	106.9	111.0	84.0	168.4	139.4	134.3	*112.4*
Viet-Nam[a]	6.8	‖ 0.4	15.7	9.8	20.8	28.9	41.3	36.8	13.1	29.7	21.0	...	...
SUGAR													
China (Taiwan)	48.8	50.0	62.4	68.1	61.2	71.9	86.4	35.4	74.6	62.2	82.6	...	...
India	...	...	16.4	7.0	4.1	2.7	0.9	1.8	6.7	18.1	18.3	15.0	*55.7*
Indonesia	14.7	14.1	12.2	7.4	3.3	2.9	2.5	6.7	0.3	—			—
Philippines	77.2	74.4	59.1	80.8	77.8	86.7	128.4	50.6	83.7	104.9	*138.2*	*79.7*	*45.0*
TEA													
Ceylon	13.6	13.2	13.3	14.3	15.0	15.4	15.5	16.7	14.1	15.5	15.9	17.2	15.9
China (Taiwan)	0.6	0.9	1.0	1.0	1.2	1.0	0.9	1.0	1.0	1.4	1.2	...	...
India	13.6	19.5	16.5	18.9	17.7	16.1	7.0	17.7	26.7	14.8	6.9	13.2	*10.3*
Indonesia	2.4	2.9	3.0	2.9	2.5	2.9	2.9	3.0	3.0	2.7	2.8	*3.7*	*3.4*
Japan	1.2	0.9	0.9	0.6	0.7	0.8	0.8	0.7	1.2	0.6	0.4	0.7	*0.9*
Pakistan	0.4	0.8	0.3	0.4	0.5	0.2	—	—	0.1	—	—	—	—
HIDES & SKINS													
India (*tons*)	1,174	1,048	1,083	1,003	1,087	1,017	918	823	1,248	1,092	834	1,009	913
Pakistan[b] (*thousand pieces*)	749	878	856	887	979	*577*	1,226	*111*	*39*	678	1,328	1,105	1,029
COPRA[c] & COCONUT OIL													
Ceylon	11.8	10.3	6.4	5.2	8.2	6.3	5.2	7.7	7.1	10.3	8.2	6.4	12.8
Federation of Malaya[d,e] (coconut oil)	4.8	6.0	4.7	3.4	1.8	1.6	1.4	1.7	2.2	2.2	3.0	3.2	3.6
Indonesia (copra)	12.5	13.8	15.4	6.2	7.0	9.0	5.7	6.4	14.3	6.8	13.4	19.1	16.9
N. Borneo	1.9	3.2	3.4	3.7	3.2	4.3	4.8	5.0	4.1	4.0	2.8	...	...
Philippines	48.4	59.8	57.6	50.0	41.1	47.9	49.4	61.1	40.9	20.6	*38.1*	*40.7*	*57.9*
Singapore (coconut oil)[d]	2.9	2.7	3.7	2.3	1.4	1.6	2.0	1.1	1.7	2.4	1.5	0.9	1.2
PALM OIL													
Federation of Malaya[d,e]	2.2	2.2	2.9	3.8	3.9	4.8	2.6	6.4	5.1	4.3	4.3	3.8	6.1
Indonesia	10.5	10.4	10.8	11.0	8.6	9.1	8.6	10.6	10.1	*7.3*	9.9	9.3	5.9
Singapore[d]	2.3	2.4	1.9	1.9	2.0	2.8	2.8	3.1	3.0	2.6	2.6	0.8	1.6
GROUND NUTS[c] & OIL													
India	14.8	2.8	0.4	0.6	4.7	2.0	2.1	1.0	2.4	3.4	1.3	0.3	0.3
NATURAL RUBBER													
Brunei	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.2
Burma	1.0	1.0	1.1	0.9	1.0	0.7	*0.7*	*0.7*	*0.7*	*0.8*	*0.8*	*0.8*	*0.8*
Cambodia	2.2	2.4	2.6	2.8	2.8	2.9	1.9	3.3	3.7	3.2	2.7	3.2	3.0
Ceylon	8.2	7.3	8.0	7.7	7.8	8.9	6.9	5.8	9.6	9.0	6.6	9.0	7.7
Federation of Malaya[d,e]	37.9	36.6	38.9	39.0	43.3	41.1	37.3	39.5	45.7	45.7	35.2	43.5	49.8
Indonesia	61.1	56.6	56.4	50.5	60.0	48.9	50.4	43.6	53.0	47.0	57.3	55.4	*73.1*
N. Borneo	1.7	1.7	1.7	1.7	1.9	1.9	1.8	1.8	2.0	2.0	1.9	1.9	2.2
Sarawak	3.3	3.5	3.5	3.3	3.7	4.2	5.3	4.4	3.0	3.1	4.2	4.9	4.9
Singapore[d,f]	15.6	15.7	16.1	17.2	19.3	14.2	16.6	15.6	13.2	17.0	19.4	12.8	19.7
Thailand	11.0	11.3	11.3	11.6	14.4	14.2	12.3	12.9	15.2	16.5	11.4	24.8	21.1
Viet-Nam, Republic of	5.2	5.3	6.1	5.7	6.1	6.2	4.3	7.7	6.4	7.3	4.5	8.7	8.0
COTTON, RAW													
India	7.9	5.9	3.4	6.1	4.9	2.8	3.0	1.5	3.2	3.6	8.4	1.8	6.3
Iran[g]	3.7	3.2	3.3	3.6	3.4	...	...	...	...	...	...	...	...
Pakistan	14.0	10.9	9.6	8.1	4.5	7.4	12.5	6.4	2.0	5.7	3.6	3.1	0.8
COTTON YARN (*tons*)													
Fed. of Malaya and Singapore[e]	9	44	11	43	158	226	295	186	215	93	143	...	...
Hong Kong	1,228	1,183	1,262	1,166	1,118	1,265	1,293	1,332	1,404	1,102	1,333	1,207	2,071
Japan	991	1,032	1,217	936	917	3,262	2,886	2,790	5,074	1,749	2,214	1,346	4,106
COTTON PIECE GOODS (*million sq. metres*)													
Fed. of Malaya and Singapore[e]	5.0	4.5	4.5	4.2	3.2	2.9	3.1	2.7	2.7	2.8	3.2	...	...
Hong Kong	11.5	9.8	13.7	15.4	16.4	21.8	19.2	22.8	22.9	21.7	22.9	31.2	29.3
India (*million metres*)	56.9	56.7	67.1	47.4	64.6	55.1	52.8	52.8	55.4	54.8	49.6	40.1	37.9
Japan	79.3	87.9	102.3	86.8	88.0	99.2	83.4	100.3	129.1	92.2	92.3	96.4	96.4
JUTE													
Pakistan (raw)	81.8	71.5	65.4	75.5	67.4	63.0	60.6	41.4	70.3	50.7	15.8	15.7	44.1
India (bag and cloth)	79.6	67.9	‖ 65.9	‖ 67.2	73.2	68.6	71.2	76.7	69.4	55.4	74.2	61.3	66.0
HEMP, RAW													
Philippines	9.3	10.2	9.6	8.4	8.1	8.4	7.4	7.6	8.6	7.0	*8.0*	*6.2*	*8.0*
TIN CONCENTRATES (*tons*)													
Burma	63	76	83	*113*	*117*	*118*	*88*	*135*	*131*	*70*	*88*	*59*	...
Federation of Malaya[h]	5,205	5,281	5,058	2,796	3,118	4,866	4,922	4,805	5,249	4,481	4,938	5,597	...
Indonesia	2,689	2,638	2,318	1,553	1,560	2,106	2,002	2,325	1,828	1,552	1,096	1,589	...
Laos	3	15	33	39	37	38	60	45	23	35	67	21	...
Thailand	935	1,052	1,130	548	854	1,072	1,006	1,103	1,049	1,030	1,175	761	1,507
TIN METAL (*tons*)													
Federation of Malaya[d,e]	3,201	4,399	4,252	3,212	3,727	6,396	5,284	7,275	7,382	5,673	6,755	5,633	6,880
Singapore[d]	2,821	1,806	1,763	667	49	65	34	98	107	540	632	511	40
PETROLEUM & PRODUCTS													
Brunei (crude oil only)	433	469	455	421	448	381	381	372	370	345	342	...	...
Fed. of Malaya and Singapore[e]	269	239	206	172	183	195	190	180	233	223	253	...	...
Indonesia	808	877	1,301	1,122	881	1,161	1,099	776	1,178	456	958	569	712

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a. Beginning June 1955, Republic of Viet-Nam only.

b. From June 1960, data have been shown partly in pieces and partly in hundredweight; the latter converted into tons are 709 for 3rd and 754 for 4th quarters. Beginning 1961, unit changed to tons.

c. In terms of oil equivalent.

d. Net exports.

e. Excluding trade between Singapore and Federation of Malaya.

f. Excluding Federation of Malaya rubber transhipped at Singapore.

g. Annual data: 12 months ending 21 July of year stated.

h. Deliveries from mines in the Federation of Malaya to smelters in Singapore, Penang and Butterworth.

EXTERNAL TRADE

11. INDEX NUMBERS OF QUANTUM, UNIT VALUE AND TERMS OF TRADE

1953=100[a]

	1954	1955	1956	1957	1958	1959	1960	1960			1961			
								II	III	IV	I	II	Jul	Aug
							A. Quantum							
BURMA														
Imports	122	104	88	132	82	117	...	...	...	...	...	...	...	...
Exports	132	146	165	153	118	153	159	205	137	80	...	...	...	...
CEYLON														
Imports: General	99	97	106	112	113	125	118	107	142	110	104	98	117	96
Exports: General	103	109	104	99	107	105	110	104	116	103	112	103	131	129
Imports (*Central Bank index*)	92	104	116	124	125	145	141	135	165	126	118	97	109	108
Consumer goods	91	99	112	111	123	138	137	128	171	118	101	84	106	77
Intermediate goods	105	110	106	152	116	141	141	128	139	117	138	119	94	181
Investments goods	85	124	154	151	149	196	175	183	174	186	189	142	146	182
Exports (*Central Bank index*)	103	109	102	100	106	104	110	104	111	106	113	109	130	126
CHINA (Taiwan)														
Imports (*ordinary and ICA*)	105	98	94	102	133	125	139	162	138	149	184	...	...	...
Exports	69	86	83	97	118	111	109	130	72	113	119	...	...	...
FEDERATION OF MALAYA and SINGAPORE														
Imports	107	128	140	139	139	139	146	138	140	159	148	168	...	...
Exports	110	118	127	130	130	130	131	124	134	138	134	143	...	...
INDIA														
Imports	118‡	125‡	||147	168	151	159	161	176	166	154	162	177	...	...
Exports	105‡	115‡	||110	119	108	119	109	101	106	124	108	104	...	...
JAPAN														
Imports: General	104	109	138	172	142	179	225	218	230	234	266	298	301	320
Exports: General	133	174	208	232	240	285	324	308	382	373	310	333	359	350
PHILIPPINES														
Imports[b]	111	125	115	137	121	109	121	120	135	118	111	123	...	...
Exports	111	121	135	127	140	139	149	177	142	143	121	170	...	...
THAILAND														
Imports	103	110	113	121	121	133	140	136	137	136	138	149	144	179
Exports	96	113	119	131	103	121	134	123	121	153	174	139	170	158
VIET-NAM[c]														
Imports	113	||90	77	95	82	85	87	84	80	99	91	...	...	...
Exports	113	||132	85	155	122	164	195	201	262	171	237	...	...	...
							B. Unit Value							
BURMA														
Imports	93	89	82	91	98	85	...	...	...	...	...			...
Exports	77	62	62	60	62	57	56	62	54	54	...	...	...	...
CEYLON														
Imports (*Central Bank Index*)	93	89	89	95	88	89	89	94	88	90	91	91	90	94
Consumer goods	92	87	87	91	83	84	84	87	87	86	88	87	85	90
Intermediate goods	94	98	97	108	99	94	93	97	97	92	86	89	87	89
Investments goods	95	95	94	101	98	109	118	116	114	111	112	111	125	121
Exports (*Central Bank index*)	111	116	108	104	102	106	106	109	102	105	99	98	95	95
CHINA (Taiwan)														
Imports (*ordinary and ICA*)	108	111	106	110	106	99	100	97	106	94	91	...		...
Exports	105	110	105	116	100	90	85	88	86	87	88			...
FEDERATION OF MALAYA and SINGAPORE														
Imports	90	92	91	96	91	93	99	103	99	93	92	90		...
Exports	94	120	110	105	95	115	126	135	124	110	102	104		...
INDIA														
Imports	97‡	95‡	||99	107	100	98	98	99	97	97	101	101	...	...
Exports	107‡	98‡	||102	102	101	99	111	109	112	112	115	117	...	...
INDONESIA														
Imports	91	91	89	88	96	83	...	99	...	...	...	...		...
Exports	96	110	103	99	89	88	...	105		...	...	...	...	...
JAPAN														
Imports	96	94	97	103	89	83	83	85	82	80	81	82	81	81
Exports	96	91	94	97	94	95	98	98	99	98	96	96	95	98
KOREA,[d] Republic of (1957=100)														
Imports	...	...	...	100	92	86	84	85	83	82	82	83	84	...
Exports	...	...	...	100	82	90	104	103	105	106	108	104	97	...
PAKISTAN[e]														
Imports	98	105	112	124	134	129	134	135	136	134	142	138	...	...
Exports	107	104	98	105	97	90	110	100	114	136	174	180	...	...
PHILIPPINES														
Imports[b]	96	96	97	100	102	104	107	106	106	109	109	107	...	...
Exports	89	81	83	84	87	94	93	95	90	88	87	87	...	...
THAILAND														
Imports	105	106	106	109	105	104	106	105	107	107	107	107	105	108
Exports	111	109	100	99	102	108	111	112	114	108	108	112	104	108
VIET-NAM[c]														
Imports	101	95	90	99	93	86	89	91	90	86	91	...	...	...
Exports	94	99	92	97	85	85	81	82	80	77	71	...	...	...

11. INDEX NUMBERS OF QUANTUM, UNIT VALUE AND TERMS OF TRADE *(Cont'd)*

1953=100[a]

	1954	1955	1956	1957	1958	1959	1960	1960			1961			
								II	III	IV	I	II	Jul	Aug
C. Terms of trade														
Percentage of unit value index of exports to unit value index of imports														
BURMA	83	70	76	66	63	67	...	...	...	...	...	...	...	...
CEYLON (*Central Bank index*)[c]	120	130	121	110	116	119	119	116	116	116	109	108	105	101
CHINA (Taiwan)	97	99	99	105	94	90	85	91	81	93	97	...	...	...
FEDERATION OF MALAYA and SINGAPORE	‖104	130	121	109	104	124	127	132	126	118	110	116	...	...
INDIA	110‡	103‡	‖103	95	101	101	113	111	115	116	113	116	...	...
INDONESIA	106	120	116	112	93	106	...	106	...	...	...	...	...	...
JAPAN	100	96	97	94	106	114	119	115	122	123	118	117	117	...
KOREA, Republic of	...	...	...	100	90	105	125	121	126	130	132	125	116	...
PAKISTAN	109	99	88	85	72	70	82	74	84	101	123	130	...	...
PHILIPPINES	93	85	85	84	85	90	87	90	84	81	79	81	...	...
THAILAND	106	103	95	91	97	104	105	107	107	101	101	104	99	101
VIET-NAM	93	‖104	102	98	91	99	92	91	89	90	78	...	...	...

a. Original base: *Burma*, 1952; *China: Taiwan*, 1952; *Ceylon*, 1948, 1958 for Central Bank index; *Federation of Malaya and Singapore*, 1952; *India*, Apr 1952/Mar 1953 prior to 1960, 1958 since 1960; *Indonesia*, 1950; *Japan*, 1950; *Republic of Korea*, 1957; *Pakistan*, Apr 1948/Mar 1949; *Philippines*, 1955; *Thailand*, 1953; *Viet-Nam*, 1949.

b. Based on f.o.b. import prices.

c. See footnote h to table 17.

d. Index in terms of U.S. dollars.

e. Imports excluding land trade. Index in terms of U.S. dollars.

12. INDEX NUMBERS OF PRICES RECEIVED AND PAID BY FARMERS

1953=100[a]

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
CHINA (Taiwan)													
Prices received by farmers (R)	102	110	122	122	136	189	190	199	201	...	...	...	...
Prices paid by farmers (P)	101	111	118	120	132	179	182	190	185	...	...	...	...
Cultivation cost	106	113	120	125	136	179	179	192	179	...	...	...	...
Domestic expenditure	100	109	117	117	130	179	183	189	187	...	...	...	...
Ratio (R) ÷ (P)	100	99	103	102	103	106	103	105	109	...	...	...	...
INDIA (Punjab)													
Prices received by farmers (R)	78	97	104	107	115	...	106	107	111	...	...	...	...
Prices paid by farmers (P)	86	96	104	108	117	...	113	112	114	...	...	...	...
Cultivation cost	79	91	95	105	116	...	110	110	116	...	...	...	...
Domestic expenditure	91	99	110	111	118	...	116	113	113	...	...	...	...
Ratio (R) ÷ (P)	90	101	100	99	98	...	94	96	97	...	...	...	...
INDIA (West Bengal, *1954=100*)													
Prices received by farmers (R)	102	118	135	143	141	...	150	156	145	...	...	...	...
Prices paid by farmers (P)	98	106	113	119	120	...	124	128	125	...	...	...	...
Cultivation cost	98	103	105	111	116	...	116	123	122	...	...	...	...
Domestic expenditure	97	108	118	124	122	...	128	130	126	...	...	...	...
Ratio (R) ÷ (P)	105	111	119	120	117	...	122	122	117	...	...	...	...
JAPAN[b] (*Apr 1953-Mar 1954=100*)													
Prices received by farmers (R)	95‡	98	99	97	97	96	95	98	97	99	98	101	...
Prices paid by farmers (P)	101‡	102	105	103	103	105	105	106	107	108	110	111	...
Cultivation cost	98‡	98	102	100	97	100	99	100	101	103	105	105	...
Domestic expenditure	103‡	103	106	105	107	109	108	109	110	111	113	114	...
Ratio (R) ÷ (P)	94‡	97	94	94	94	91	91	93	91	91	89	91	...

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a. Original base: *China (Taiwan)* 1952; *India, Punjab*, Sep 1938/Aug 1939; *West Bengal*, 1939; *Japan*, Apr 1951/Mar 1952.

b. Index numbers of commodity prices in 473 towns or villages.

13. INDEX NUMBERS OF WHOLESALE PRICES

1953 = 100[a]

	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
BURMA													
All agricultural produce	96	99	114	112	103	113	110	118	120	117	119	...	...
Cereals	107	103	103	102	110	114	111	122	115	115	121	...	...
Non-food agricultural produce	107	103	124	137	121	115	118	110	110	122	124	...	...
CHINA (Taipei)													
General index	117	132	141	143	158	180	179	182	187	185	184	183	187
Food	114	123	135	142	165	199	195	203	212	208	203	203	210
Apparel	110	106	105	107	118	120	121	119	113	118	117	116	117
Metals and electrical materials[b]	158	190	197	189	186	199	206	202	198	197	194	192	190
Building materials	115	153	163	148	166	185	212	170	163	174	151	148	150
Manufactured products	120	143	162	158	167	180	184	180	180	179	175	174	...
Industrial materials	116	138	163	163	191	197	201	196	193	191	188	184	...
INDIA													
General index	88	99	104	107	111	118	117	120	121	122	121	124	122
Food articles	80	93	100	105	111	113	112	116	112	109	111	116	116
Industrial raw materials	91	105	110	107	112	129	129	128	138	147	141	141	135
Manufactured articles	101	106	109	110	111	122	121	124	127	130	128	129	128
Intermediate products	99	112	110	111	113	129	127	132	134	137	140	144	143
Finished products	101	106	109	110	111	121	120	122	126	130	126	126	125
IRAN[c]													
General index	115	123	123	119	99	102	103	100	101	106	...		...
Domestic goods	117	124	131	133	99	102	104	101	102	106	...		...
Exported goods	116	136	134	125	100	99	100	98	98	99	99		...
Imported goods	105	96	88	82	100	102	101	102	103	102	104		...
Farm products[d]	109	119	115	113	99	102	105	98	101	110	111		...
Building materials	148	157	165	171	99	103	104	105	100	93	92		...
Building materials[e]	...	...	...	...	99	105	104	107	103	98	131		...
JAPAN													
General index	98	102	105	98	99	101	100	101	102	103	105	105	106
Edible farm products	112	109	112	117	116	117	120	123	115	118	119	116	118
Textiles	87	88	82	75	77	77	76	76	77	78	79	79	80
Chemicals	90	94	95	88	85	87	87	86	86	86	87	86	86
Metal and machinery	97	116	119	103	105	104	105	104	103	102	104	103	103
Building materials	96	104	115	107	110	115	111	113	122	128	134	136	143
Producer goods	95	103	107	98	98	99	99	99	101	102	105	105	107
Consumer goods	101	100	102	99	100	103	103	104	103	104	104	104	105
KOREA, Republic of *(1955=100)*													
General index	100	132	153	143	147	163	163	169	164	187	195	193	195
Foods	100	141	168	145	138	159	161	174	159	186	196	190	190
Metal products and machinery	100	130	162	159	176	194	200	193	191	199	201	200	200
Building materials	100	121	135	144	165	193	196	195	192	203	205	209	220
Fibre and fibre products	100	122	127	126	128	137	131	136	144	159	163	161	167
Producer goods	100	138	156	156	174	193	194	193	193	220	231	233	240
Consumer goods	100	129	152	138	136	151	151	160	152	173	180	176	177
PHILIPPINES (Manila)													
General index	92	95	99	103	104	108	106	109	112	113	113	114	116
Food	95	96	102	105	98	105	101	103	114	113	112	114	117
Crude materials	84	90	92	99	117	116	115	113	113	115	113	114	114
Chemicals	98	88	93	96	100	97	99	95	99	96	102	103	103
Manufactured goods	92	100	103	104	110	113	112	113	112	114	114	118	117
Domestic products	92	94	98	101	101	105	103	106	109	110	110	...	...
Exported products	81	84	88	98	111	108	106	105	106	110	112	112	119
Imported products	92	100	106	110	120	127	126	126	128	132	133	134	133
THAILAND (Bangkok)													
General index	114	117	118	123	115	114	109	114	115	117	119	122	121
Agricultural produce[f]	136	130	130	143	134	132	128	133	132	128	127	130	132
Foodstuffs[f]	108	116	115	122	111	106	99	107	109	114	117	120	119
Clothes	102	101	101	101	101	101	101	102	102	102	102	102	102
Metal	126	139	141	108	116	121	123	122	118	114	119	119	119
Construction materials	104	103	105	103	103	103	104	103	102	102	102	102	102
VIET-NAM (Saigon-Cholon)													
General index	117	122	123	124	119	125	121	129	136	135	139	140	141
Rice and paddy	99	113	106	119	96	99	87	109	124	124	134	137	137
Raw materials	145	131	139	126	139	156	169	154	143	137	140	137	137
Semi-finished products	123	131	138	129	127	126	121	126	133	130	132	133	131
Manufactured products	124	121	111	117	118	124	121	123	134	135	134	135	139
Local products	116	123	121	123	113	119	116	125	131	130	137	138	138
Imported products	121	124	130	131	132	137	132	139	148	148	146	147	149

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a. Original base: *Burma*, 1938-40; *China Taiwan*, Jan-June 1937 prior to 1959, 1956 since 1959 except indexes of manufactured products and industrial materials for which the base is 1951; *India*, Apr 1952/Mar 1953; *Iran*, year ending March 1937 prior to 1959, *Japan*, 1952; *Republic of Korea*, and *Philippines*, 1955; *Thiland*, Apr 1938/Mar 1939; *Viet Nam*, 1949.

b. Beginning 1959, metals and manufactures thereof.

c. Prior to April 1959, Teheran only. Beginning April 1959, base 21st March 1959-20th March 1960.

d. Prior to 1959 index of foodstuffs.

e. Cost of residential building materials. Not a subdivision of the general index.

f. Agricultural produce including paddy, rice meal, copra, rubber, etc.; foodstuffs including milled rice, pork, bananas, etc.

14. PRICE QUOTATIONS OF MAJOR EXPORT COMMODITIES

	Unit	1955	1956	1957	1958	1959	1960	1960			1961			
								II	III	IV	I	II	Jul	Aug
RICE														
Burma	£ per L. ton	41.1	35.6	34.2	37.0	32.9	32.3	32.0	32.0	33.0	33.0	33.0	33.0	33.0
Cambodia	Ri per 100 kg.	379	...	335	382	356	391	345	416	444	423	457	450	460
China: Taiwan	NT$ per m. ton	2,634	3,776	3,644	3,643	5,309	5,244	5,239	—	5,239	5,764	—	...	...
Thailand	£ per L. ton	50.5	48.9	49.8	53.1	47.7	44.8	41.9	47.5	46.2	46.2	49.5	51.4	49.7
SUGAR														
China: Taiwan	US$ per ton	104.6	104.3	139.3	98.4	84.4	86.9	83.4	91.9	91.2	...	...	...	...
India	Rs. per maund	28.1	27.9	30.8	32.5	36.0	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5
Indonesia	Rp. per 100 kg.	306	302	350	418	440	465	440	440	540	590	590	590	590
Philippines	Peso per picul	13.8	14.0	14.8	15.3	14.9	16.7	15.9	17.5	18.6	20.0	21.7	21.6	...
TEA														
Ceylon	Rs. per lb.	2.20	2.19	1.87	1.72	1.95	2.02	1.82	2.05	2.17	2.14	1.96	1.89	...
China: Taiwan	NT$ per kg.	11.49	11.96	10.08	12.67	16.20	18.31	16.55	19.21	18.67	20.79	21.82	...	...
India	Rs. per kg.	6.73	5.69	5.79	5.55	5.37	5.82	5.57	6.56	5.81	5.41	6.12	6.59	6.06
Indonesia	Rp. per 100 kg.	1,459	1,072	1,097	1,113	1,039	4,331	4,240	4,223	4,445	...	...	...	...
PEPPER														
Cambodia	Ri. per 63.42 kg.	3,507	4,350	4,771	3,465	2,827	4,594	4,200	5,200	5,100	4,150	...	...	...
India	Rs. per maund	131.6	110.9	77.7	71.7	100.2	216.8	235.8	241.1	185.1	165.4	161.2	184.2	177.3
Indonesia	Rp. per 100 kg.	745	551	469	457	492	3,716	3,992	4,438	3,781	...	...	...	...
Sarawak	M$ per picul	109.6	70.2	69.5	66.9	82.6	170.0	182.4	181.8	148.6	...	...	...	...
Singapore	M$ per picul	135.6	94.7	72.8	69.8	92.7	188.0	192.8	182.5	146.4	143.3	149.2	146.2	142.5
HIDES														
Pakistan	Rs. per 28 lbs.[a]	31.72	29.49	29.08	29.24	104.36	118.62	120.00	113.33	115.58	115.83	116.11	115.00	110.00
SKINS														
India	Rs. per 100 pcs.	287.6	300.4	353.1	336.9	392.9	344.3	379.2	306.2	250.0	289.6	275.0	250.0	250.0
Pakistan	Rs. per 100 pcs.	211.9	254.6	287.4	252.5	301.5	352.4	429.2	330.0	269.7	217.5	212.5	220.0	203.3
GROUNDNUTS														
India	Rs. per maund	15.94	24.42	25.34	25.15	28.58	33.26	32.49	35.09	34.82	35.96	38.12	41.32	40.48
COPRA														
Ceylon	Rs. per candy	209.5	212.2	239.8	264.8	302.6	276.2	295.4	264.2	240.8	233.7	230.6	208.2	205.3
Fed. of Malaya	M$ per picul	26.38	25.70	26.85	35.13	41.29	33.17	33.33	31.00	28.00	27.50	26.50	27.00	26.75
Indonesia	Rp. per 100 kg.	193	178	156	178	237	759	807	763	691	...	...	...	...
Philippines	Peso per 100 kg.	27.12	26.02	28.43	37.70	46.66	39.63	38.23	36.79	35.81	38.15	37.41	37.25	...
Singapore	M$ per picul	28.14	27.45	27.34	33.89	40.89	33.10	33.72	30.38	27.63	26.93	26.54	26.13	27.53
RUBBER, NATURAL														
Ceylon	Rs. per lb.	1.51	1.51	1.46	1.30	1.42	1.50	1.65	1.42	1.46	1.34	1.30	1.37	1.39
Indonesia	Rp. per 100 kg.	888	821	746	641	804	3,465	3,877	3,446	2,806	...	...	...	...
Singapore	M Cents per lb.	114.16	96.76	88.75	80.25	101.56	108.08	124.25	103.46	89.46	82.82	87.49	84.40	85.46
Thailand	Baht per kg.	13.59	11.25	10.87	10.33	13.92	16.23[b]	17.74	16.18	13.84	12.13	12.86	12.31	...
United Kingdom	Pence per lb.	32.9	28.1	25.9	23.4	29.4	31.4	36.0	29.9	26.2	24.4	25.6	24.6	24.4
TIMBER														
Burma	K. per cu. ton	921	923	889	874	861	984	992	973	1,038	...	...	...	...
Fed. of Malaya	M$ per 50 cu. ft.	156.6	158.2	144.6	143.3	127.9	155.6	155.9	161.7	150.3	139.4	129.1	132.0	132.3
North Borneo	M$ per 50 cu. ft.	77.9	77.5	66.1	64.7	74.6	87.7	96.8	89.3	79.1	77.8	78.4	...	...
Philippines	US$ per 1,000 bd. ft.	57	56	53	51	53	60	62	60	57	57	...	...	...
Thailand	Baht per cu. m.	3,614	4,098	4,090	3,867	3,956	4,368[b]	4,107	4,662	4,576	4,834	5,235	5,318	...
WOOL, RAW														
Pakistan	Rs. per lb.	2.15	2.70	2.77	2.06	2.33	2.50	2.51	2.65	2.37	2.42	2.50	2.56	2.53
COTTON, RAW														
Burma	K. per lb.	1.33	1.00	1.13	1.01	0.85	1.06	1.19	1.14	1.12	...	...	...	...
India	Rs. per 784 lbs.	635.8	786.7	766.7	732.0	767.6	840.7	840.0	840.0	846.4	843.6	842.0	839.2	834.5
Pakistan	Rs per maund	79.6	88.8	87.0	81.9	74.2	91.1	90.0	94.2	90.4	95.3	94.1	86.1	87.8
JUTE, RAW														
India	Rs. per 400 lbs.	172	173	207	192	190	249	248	230	318	359	319	305	259
Pakistan	Rs. per 400 lbs.	150	187	214	188	190	288	272	258	405	451	...	...	...
United Kingdom	£ per L. ton	98	103	114	110	111	141	133	125	190	206	175	...	...
HEMP, RAW														
Philippines	Peso per picul	31.0	37.4	46.8	39.2	57.6	61.6	63.0	59.5	57.1	62.2	...	...	...
GROUND NUT OIL														
India	Rs. per quarter	11.92	17.82	19.11	18.79	20.50	23.50	23.23	24.23	24.47	26.60	28.31	29.25	27.43
PALM OIL														
Indonesia	Rp. per 100 kg.	220	233	232	210	217	831	809	828	823	...	...	...	...
COCONUT OIL														
Ceylon	Rs. per L. ton	1,156	1,168	1,256	1,396	1,688	1,437	1,608	1,349	1,252	1,213	1,208	1,268	1,154
Philippines	Peso per kg.	0.48	0.45	0.47	0.66	0.80	0.70	0.71	0.65	0.63	0.68	0.67	0.64	...
Singapore	M$ per picul	44	44	46	54	65	53	54	48	44	44	42	41	40
RAYON YARN														
Japan	Yen per lb.	173	172	171	151	148	147	147	147	147	147	147	147	147
COTTON PIIECE GOODS														
INdia	Rs. per lb.[c]	1.80	1.94	2.04	1.81	1.84	2.71	2.59	3.08	—	0.60	0.59	0.59	0.59
Japan	Yen per yd.	50	54	48	42	53	55	54	54	52	51	50	51	51
JUTE MANUFACTURES														
India (bag)	Rs. per 100 bags	115.6	111.2	114.6	98.6	98.1	138.9	131.0	137.3	174.1	199.2	164.4	160.0	144.1
India (hessian)	Rs. per 100 yd.	45.0	43.0	44.3	43.0	42.4	50.6	50.8	48.9	58.7	67.6	56.5	54.4	51.6
TIN														
Indonesia	Rs. per m. ton	14,986	16,078	16,011	15,649	15,757	66,946	69,773	65,434	65,405	...	...	...	...
Singapore	M$ per picul	365.5	387.0	373.2	369.3	396.9	393.8	388.6	401.4	394.8	397.5	438.5	461.9	475.6
Thailand	Baht per kg.	28.2	28.8	28.9	28.0	31.6	31.8[b]	31.7	30.9	31.9	31.2	30.9	35.8	...

14. PRICE QUOTATIONS OF MAJOR EXPORT COMMODITIES *(Cont'd)*

	Unit	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
PETROLEUM, CRUDE														
Indonesia	*Rp. per m. ton*	160	163	163	*181*	*181*	*524*	*518*	*543*	*534*	*667*	...	...	...
Iran	*US$ per barrel*	1.67	1.67	1.75	1.80	1.64	1.60	1.62	1.60	1.58	1.58	1.58	1.58	1.58
Sarawak	*M$ per m. ton*	63	61	64	65	60	58	59	59	56	...	...	...	...
PETROLEUM PRODUCTS														
Indonesia	*Rp. per litre*	0.30	0.31	0.30	*0.32*	*0.31*	*0.97*	*0.98*	*0.93*	*1.01*	*1.09*	*1.13*	*1.10*	*1.19*

SPECIFICATIONS:

RICE: *Burma* — Average of export contract prices f.o.b. white rice, No. 1 small mills special ngasein. *Cambodia*—Wholesale prices of white rice No. 1—25% broken, at Phnom-Penh. *China: Taiwan*—Unit value of export of rice and paddy. *Thailand*—Export price f.o.b. Bangkok, white rice 5% broken.

SUGAR: *China: Taiwan* — Monthly average price of all kinds of sugar f.o.b. Taiwan ports. *India* — Wholesale prices, D. 28 Kanpur. *Indonesia* — Domestic wholesale prices of white sugar, Djakarta. *Philippines* — Wholesale prices of centrifugal sugar, Manila.

TEA: *Ceylon*—Average weekly auction prices of weighted average for three grades of black tea in Colombo. *China: Taiwan* — Unit value of export of black tea. *India*—Export price at Calcutta auctions, leaf, all types. *Indonesia* —Export prices f.o.b. for B.O.P., O.P., P.S. and B.P.

PEPPER: *Cambodia* — Wholesale prices, black ex store. *India* — Wholesale prices, ungarbled (alleppey) Calcutta. *Indonesia* — Export prices, f.o.b. black Lampong. *Sarawak* — Unit value of exports of black pepper. *Singapore* — Average wholesale prices, black Lampong.

HIDES: *Pakistan* — Average wholesale prices of Karachi unframed arsinicated mixed 12/40 lbs. (buffalo), Karachi, since August 1959 10/40 lbs.

SKINS: *India* — Wholesale prices of raw goat skin, average quality, Calcutta. *Pakistan* — Average wholesale prices of sheep skin, Papra (dewooled all primes), Karachi.

GROUNDNUTS: *India* — Wholesale prices of groundnuts, machine shelled, Cuddalore.

COPRA: *Ceylon* — f.o.b. prices for all grades. *Federation of Malaya* — Wholesale prices, sundried. *Indonesia* — Export prices f.o.b. mixed. *Philippines* — Wholesale prices, resecada, Manila. *Singapore* — Wholesale prices, sundried.

RUBBER, NATURAL: *Ceylon*—Unit value of exports of rubber sheet. *Indonesia* —Export prices f.o.b. R.S.S. 1 and Crepe 1. *Singapore*—Buyers' midday prices, f.o.b. Singapore No. 1 RSS in bales. Annual prices are the averages of daily prices. *Thailand* — Unit value of exports of rubber smoked sheet. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only. *United Kingdom* — domestic/import price cif London, No. 1 RSS.

TIMBER: *Burma* — Unit value of teak exports. *Federation of Malaya* — Unit value of net exports of timber. *North Borneo*—Unit value of sawn logs and veneer logs, non-coniferous. *Philippines* — Unit value of exports of logs and lumber. *Thailand* — Unit value of exports of teak board. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only.

WOOL, RAW: *Pakistan* — Unit value of exports.

COTTON, RAW: *Burma* — Unit value of exports. *India* — Wholesale prices, Jarilla M.G.F. at Bombay prior to August 1959; at Madhya Pradesh 25/32" for August 1959 to December 1959; at Madhya Pradesh 26/32" for subsequent period. *Pakistan* — Monthly average wholesale prices of 289 F. Punjab R.G. Karachi.

JUTE, RAW: *India* — Domestic price at Calcutta, raw lightnings. *Pakistan* — Domestic/export f.o.b. Chittagong, raw, baled, export firsts. *United Kingdom* — Domestic/import price c. and f. Dundee, Pakistan mill firsts.

HEMP, RAW: *Philippines* — Domestic/export price at Manila, Manila Hemp, Grade G.

GROUNDNUT OIL: *India* — Wholesale prices, naked, Bombay.

PALM OIL: *Indonesia* — Export prices f.o.b.

COCONUT OIL: *Ceylon* — f.o.b. prices for all grades. *Philippines* — Wholesale prices, Manila. *Singapore* — f.o.b. Singapore.

RAYON YARN: *Japan* — Export prices f.o.b. viscose, 120 denier hank, 1st grade.

COTTON PIECE GOODS: *India* — Wholesale prices of grey standard shirting 35" × 38 yds. prior to 1960, dyeing grey standard shirting 35" × 38 yds. for 1960, since January 1961 — modern mills grey shirting 923 sheeting 34" × 40 yds. (on the basis of Rs.0.68 = index 163.5, which is equivalent to Rs.3.14 of the preceeding series) *Japan* — Export prices f.o.b., heavy shirting s/2003 grey 38".

JUTE MANUFACTURES: *India* — Export prices of bags, B-twills 2¼ lbs. 44 × 26½" (22 × 26½" since April 1960) f.a.s. Calcutta. *India*—Domestic/export prices of hessian cloth 10½ oz. 40" Calcutta.

TIN: *Indonesia* — Unit value of exports of tin and tin ore. *Singapore* — Export prices ex-works. *Thailand* — Unit value of exports of tin ore and tin in concentrates. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only.

PETROLEUM, CRUDE: *Indonesia* — Unit value of exports of crude petroleum. *Iran* — Export price, f.o.b. Abandan, 31-31.9° API gravity. *Sarawak* — Unit value of exports of crude petroleum.

PETROLEUM PRODUCTS: *Indonesia*—Unit value of exports of motor spirit.

a. Since 1959, Rs per 82 lbs.

b. Port of Bangkok only.

c. Since 1961, Rs. per yd.

15. INDEX NUMBERS OF COST OF LIVING

1953 = 100[a]

	1955	1956	1957	1958	1959	1960	1960 II	1960 III	1960 IV	1961 I	1961 II	1961 Jul	1961 Aug
A. All items													
BURMA: Rangoon	99	106	112	108	96	108	111	111	109	108	111	116	114
CAMBODIA: Phnom-Penh	121	127	127	135	141	151	147	153	160	160	...	...	...
CEYLON: Colombo	99	99	101	103	104	102	101	100	102	102	103	103	104
CHINA: Taipei	112	123	133	134	146	172	170	161	182	183	185	184	187
FED. OF MALAYA (*all races*)[b]	89	90	95	94	91	91	91	90	91	91	90	90	91
HONG KONG	95	97	98	96	104	100	100	99	98	100	101	99	101
INDIA[c] (*interim index*)	91	99	105	109	114	117	116	119	118	116	117	119	121
INDONESIA: Djakarta[d]	...	...	...	...	100	135	136	145	139	143	150	...	...
IRAN	122	130	139	138	152	164	163	164	168	175	180	172	173
JAPAN (*urban*)	105	106	109	108	110	114	113	115	115	117	118	121	122
KOREA: Seoul	231	284	350	339	353	382	388	391	382	412	416	416	426
LAOS: Vientiane	125	141	174	187	199	203	189	[illegible]	243	...	...	...	...
PAKISTAN[c] Karachi	94	97	106	110	106	114	114	114	113	114	115	115	117
Narayanganj	85	99	104	110	109	113	114	114	112	113	*120*	*119*	120
PHILIPPINES: Manila	98	100	102	105	104	109	106	111	113	109	109	111	112
SINGAPORE	91	92	94	92	92	..	92	91	...	...	...	...	...
THAILAND: Bangkok	105	111	118	125	119	118	114	121	121	124	126	122	124
VIET-NAM: Saigon	124	139	133	130	133	131	128	133	135	135	137	143	148
B. Food													
BURMA: Rangoon	97	104	115	110	95	113	115	118	115	113	116	125	
CAMBODIA: Phnom-Penh	119	130	129	141	143	146	143	[illegible]	151	154	...	...	...
CEYLON: Colombo	99	97	99	100	99	96	95	92	95	94	94	94	94
CHINA: Taipei	108	126	137	138	154	190	188	202	201	199	197	194	198
FED. OF MALAYA (*all races*)[d]	...	...	...	...	100	100	99	99	100	100	98	98	99
HONG KONG	90	95	95	93	106	98	98	96	94	99	100	97	99
INDIA (*interim index*)	84	96	103	108	115	115	114	118	116	113	114	118	118
INDONESIA: Djakarta[d]	141	161	177	258	100	121	124	127	123	136	...	...	...
IRAN	114	121	126	120	135	147	146	148	151	162	170	158	158
JAPAN (*urban*)	105	105	108	106	107	111	110	114	112	114	113	119	120
KOREA: Seoul	206	282	339	310	308	353	363	375	348	393	396	388	402
LAOS: Vientiane	118	122	157	176	189	[illegible]	175	183	257	...	...	...	...
PAKISTAN: Karachi	95	100	113	117	113	122	121	122	122	123	123	124	128
Narayanganj	80	97	102	105	105	111	111	112	110	109	*115*	*114*	116
PHILIPPINES: Manila	98	101	105	111	107	114	109	115	122	114	113	119	...
SINGAPORE	88	89	91	87	86	...	85	84	...	...	...	...	...
THAILAND: Bangkok	103	108	117	126	116	116	111	121	120	123	127	120	123
VIET-NAM: Saigon	121	140	129	125	124	120	115	123	124	127	129	140	147

GENERAL NOTES: All figures refer to working class expenditures except for the following countries: *Burma*, low and middle income group of households; *China (Taiwan)*, public servants prior to 1959, beginning 1959, major city consumers' prices; *Hong Kong*, clerical and technical workers; *Indonesia*, government employees; *Japan*, urban population; *Republic of Korea*, salaried workers and wage earners; *Laos*, middle class; *Singapore*, low income clerks and labourers; *Thailand*, low salaried workers and civil servants.

a. Original base: *Burma*, 1958; *Cambodia*, 1949; *Ceylon*, 1952; *China: Taiwan*, Jan-Jun 1937 prior to 1959, 1956 since 1959; *Hong Kong*, Mar 1947; *India*, 1949; *Indonesia*, July 1938 prior to 1959, 1959 for subsequent years; *Japan*, 1955; *Republic of Korea*, 1955; *Laos*, Dec 1948; *Federation of Malaya*, Jan 1949 prior to 1960, 1959 since 1960; *Pakistan*, Apr 1948/Mar 1949; Philippines, 1955; *Singapore*, 1939; *Thailand* Apr 1938/Mar 1939; *Republic of Viet-Nam*, 1949.

b. Excluding house rent prior to 1960.

c. Excluding house rent.

d. Beginning 1959, base 1959 = 100.

16. EMPLOYMENT *End of period*

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
CHINA[a] (Taiwan, *thousand*)													
Mining	55	66	74	74	74	76	76	75	76	...	...	...	...
Manufacturing	258	260	261	261	263	269	270	272	269	...	...	...	...
Transport	66	68	71	73	77	77	77	77	77	...	...	...	...
FEDERATION OF MALAYA[b] (*thousand*)													
Estate[c]	309	309	307	314	311	...	...	...	...	...	...	...	...
Rubber	278	280	277	282	282	...	...	...	...	...	...	...	...
Tin mining	40	40	38	26	21	...	...	...	...	...	...	...	...
Government	171	171	189	187	182	...	...	...	...	...	...	...	...
INDIA (*thousand*)													
Factories under Factory act[d]	2,690	3,402	3,480	3,413	3,635	3,665	...	...	...	...	...	...	...
Cotton mills[d]	758	807	813	767	763	772	759	783	781	784	784	803	806
Coal mines[e]	348	352	370	364	364	380	375	378	389	413	392	376	...
Central government[f]													
Office workers	251	281	300	313	328	...	331	...	...	...	...	...	...
Manual workers	396	388	389	401	415	...	423	...	...	...	...	...	...
JAPAN[g] (*million*)													
All industries	40.9	41.7	42.8	43.1	43.7	44.7	45.7	45.8	45.3	43.0	45.9	46.1	45.4
Agriculture, forestry and hunting	16.9	16.4	16.1	15.5	15.4	14.9	16.2	15.6	14.7	12.0	16.0	15.4	14.7
Mining	0.5	0.5	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5
Manufacturing	7.1	7.6	8.1	8.6	8.5	9.1	9.2	9.2	9.2	9.5	9.6	10.1	10.2
Construction	1.8	1.8	2.0	2.0	2.2	2.3	2.2	2.3	2.5	2.7	2.2	2.4	2.6
Commerce	6.7	7.0	7.3	7.5	7.6	8.0	7.9	8.0	8.2	8.1	7.9	7.8	7.6
Transportation, communication and other public utilities	1.9	2.1	2.2	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.5	2.6	2.5
Services (non-government)	4.3	4.6	4.9	5.0	5.2	5.5	5.2	5.7	5.9	5.9	5.3	5.3	5.3
PHILIPPINES													
Index of employment[h] (1953=100)													
Mining	81	81	77	72	68	68	68	67.	6.8	81	...	...	...
Manufacturing	106	107	113	113	119	123	122	120	124	120	...	...	...
THAILAND[d] (*thousand*)													
Mining	15.6	16.6	17.4	14.9	14.1	15.1	15.0	15.3	16.0	15.9	16.2	16.7	17.2

a. Staff and permanent workers.
b. August for 1955, July for 1956 to 1959.
c. Comprising rubber, oil palm, coconut, tea and pineapple.
d. Daily averages.
e Average daily employment in all coal mines governed by the Indian Mines Act. Monthly figures are slightly short of total coverage.
f. Regular Central Government establishments excluding railways. Office workers comprise administrative, executive and clerical staff; manual workers comprise skilled, semi-skilled workers.
g. Average for the week ending on the last day of the month, except for December when the week prior to holiday seasons was chosen.
h. Comprising all full and part-time employees who were on the payroll i.e., who worked during, or received pay for, the pay period ending nearest the 15th of the month. Excluding proprietors, self-employed persons, domestic servants and unpaid workers.

17. WAGES *Base for index numbers, 1953*[a]

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
CEYLON													
Index of wages													
Tea and rubber estate workers[b]	106	107	108	110	110	109	109	107	109	109	109	109	109
Government workers (Colombo)[c]	104	106	109	125	125	125	125	125	125	125	125	125	125
CHINA (Taiwan)													
Index of earnings[d]													
Mining	131	174	227	243	246	271	270	267	285	296	301	...	...
Manufacturing	125	141	155	165	177	207	203	209	217	254	249	...	...
FED. OF MALAYA													
Earnings (*Malayan dollar*)													
Rubber tappers (*Monthly*)	75.4[e]	78.0[f]	81.0[f]	.	82.0[f]	...	...	...	...	...	...	...	...
INDIA													
Wages or earnings (*rupees*)													
Cotton mills[g] (Bombay, *monthly*)	94.8	98.8	104.2	111.6	116.4	127.2	118.8	119.7	119.4	127.0	129.2	130.8	...
Coal mines[h] (Jahria, *weekly*)	14.2	17.4	20.5	22.0	22.8	23.6	23.7	23.6	24.3	23.5	23.5	22.7	24.0
JAPAN													
Index of earnings[i]													
Mining	108	118	137	140	144	154	140	167	178	136	147	186	218
Manufacturing	109	120	124	127	136	147	138	149	182	125	150	233	144
Daily money wages of agricultural labour, male (*yen*)	301	308	323	337	348	372	384	382	392	368	...	...	...
KOREA, Republic of													
Wages[j] (*thousand hwan*)													
Mining	...	...	26.4	27.0	32.2	35.7	34.3	36.2	38.4	37.3	39.6	41.3	41.4
Manufacturing	...	...	20.3	21.7	23.5	26.0	24.8	26.8	28.2	27.5	27.9	25.5	27.5
PHILIPPINES													
Index of wages[k] (Manila)													
Skilled	101	101	101	104	106	106	106	106	105	105	105	...	...
Unskilled	102	103	102	103	104	104	104	104	104	105	...	...	...
VIET-NAM, Republic of													
Earnings[m] (Saigon-Cholon, *piastre*)													
Skilled	86.7	89.4	99.2	102.1	102.3	102.3	102.5	...	102.3	...	...	...	...
Unskilled	47.8	56.0	63.4	70.2	70.0	72.2	72.3	...	72.2	...	...	...	...

a. Original base: *Ceylon*, 1939; *China (Taiwan)*, June 1949; *Japan*, 1955; *Philippines*, 1955.
b. Daily rates of minimum wages (basic wages plus special allowance).
c. Monthly wage rates for unskilled male workers in government employment.
d. Daily average of wages and allowances including payment in kind.
e. At August.
f. At July.
g. Monthly minimum basic wages plus dearness allowance.
h. Average weekly earnings (basic wages plus dearness allowance and other payments) of underground miners and loaders in coal mines.
i. Average monthly cash earnings per regular worker.
j Total monthly average earnings of production workers based on the payroll reports collected from representative sample establishments throughout the country engaged in mining and manufacturing (excluding tobacco and salt manufacturing).
k. Daily average wage rates of all classes of workers.
m. Daily average earnings (basic wages plus allocations in kinds and annual bonus) of workers in industrial plants. Figures relate to last day of the period.

18. CURRENCY AND BANKING

End of period

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
BURMA (*million kyats*)													
Money supply	1,116	1,343	1,106	1,311	1,485	1,467	1,560	1,503	1,467	1,624	1,553	1,535	1,509
Currency: net active	725	830	746	853	1,021	1,004	1,089	1,010	1,004	1,155	1,097	1,084	1,067
Deposit money	391	513	360	458	464	463	471	493	463	469	456	451	442
Private time deposits (Commercial banks)	122	103	100	118	212	165	144	162	165	155	157	153	155
Government deposits	248	248	282	281	262	313	303	292	313	300	313	334	375
Union Bank of Burma	130	117	77	50	48	60	40	45	60	33	47	52	62
Commercial Bank[a]	118	131	205	231	214	253	263	247	253	267	266	282	313
Bank clearings △	246	293	317	270	289	338	386	347	288	293	377	289	389
Foreign assets	540	652	446	576	642	644	729	665	644	522	552	577	589
Union Bank of Burma	415	535	382	490	568	567	645	583	567	461	472	507	527
Commercial banks	124	117	64	86	74	77	84	82	77	61	80	70	62
Claims on private sector (commercial banks)	216	250	343	270	305	379	359	355	379	525[r]	475	455	442
Claims on government	941	1,020	1,002	1,185	1,375	1,241	1,238	1,260	1,241	1,359	1,344	1,363	1,367
Union Bank of Burma[b]	652	662	762	710	797	729	723	709	729	927	919	873	829
Commercial banks	289	358	240	475	578	512	515	551	512	432	425	490	538
Rates of interest (*% per annum*)													
Call money rate △	1.27	0.94	1.42	1.60	1.08	1.52	1.50	1.35	1.75	2.58	2.33	1.50	1.50
Yield of long term gov't bonds[c] △	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Exchange rate	4.778	4.808	4.775	4.785	4.790	4.770	4.775	4.765	4.778	4.788	4.805	4.798	4.775
CAMBODIA (*million riels*)													
Money supply													
Currency: in circulation	999	1,058	1,355	1,472	1,799	2,017	1,985	2,103	2,017	2,299	2,299	2,235	2,228
Demand deposits in commercial banks	1,035	1,104	693	885	1,143	1,432	1,444	1,562	1,432	1,380	1,368	1,446	1,365
Private time deposits	37	15	84	76	159	274	254	277	274	285	275	276	276
Bank clearings △	446	412	481	520	570	725	686	738	794	820	831	746	878
Foreign assets	1,968	2,559	2,911	3,442	3,505	3,903	3,780	3,920	3,903	3,974	4,123	4,143	4,094
Banque Nationale du Cambodge	1,751	2,454	2,756	3,366	3,566	3,706	3,636	3,748	3,706	3,844	3,979	3,970	3,919
Commercial banks	217	105	155	76	139	197	144	168	197	130	145	173	175
Claims on private sector	329	563	812	776	1,147	1,719	1,421	1,648	1,719	1,802	1,713	1,678	1,738
Claims on government by Banque Nationale du Cambodge	1,014	1,014	1,014	1,014	1,114	1,014	1,014	1,014	1,014	1,014	814	814	814
CEYLON (*million rupees*)													
Money supply	1,062	1,118	1,032	1,067	1,169	1,197	1,161	1,172	1,197	1,200[r]	1,210	1,212	1,220
Currency: net active	384	401	435	530	565	595	594	580	595	615	641	646	649
Deposit money	677	717	597	537	604	602	567	593	602	585	570	566	571
Private time deposits	450	510	558	617	688	770	724	744	770	764	758	744	744
Government deposits	116	176	128	164	100	92	66	87	92	100[r]	78	87	102
Central Bank of Ceylon	42	67	12	28	18	12	12	12	12	11[r]	14	13	14
Commercial banks	74	109	116	136	81	81	53	75	81	89[r]	63	74	88
Bank clearings △	758	735	730	661	714	743	731	761	754	765	677	835	794
Bank debits[d] △	1,060	1,063	1,111	970	1,050	1,094	1,084	1,122	1,052	1,052	983	1,182	1,071
Foreign assets (*net*)	857	878	679	606	456	268	383	318	268	283	321	288	275
Central Bank of Ceylon	655	736	589	518	382	186	311	219	186	183	235	189	174
Commercial banks	200	143	90	88	75	83	72	99	83	100	87	99	101
Claims on the private sector (commercial banks)	256	344	399	436	458	488	493	501	488	493	485	487	488
Claims on government	596	672	750	906	1,182	1,451	1,229	1,328	1,451	1,442[r]	1,463	1,492	1,537
Central Bank of Ceylon	18	11	88	261	514	760	584	678	760	745	780	811	855
Other banks	578	661	665	645	668	691	645	650	691	697[r]	683	681	682
Rates of interest (*% per annum*)													
Call money rate △	0.50	0.50	1.08	1.25	1.42	1.88	1.75	2.25	2.00	2.00	2.00	2.00	2.00
Treasury bill rate △	0.79	0.68	0.88	1.54	1.93	2.44	2.44	2.48	2.60	2.67	2.68	2.68	2.68
Yield of long term gov't bonds[e] △	3.13	3.04	2.99	2.91	2.76	2.90	[illegible]	[illegible]	[illegible]	3.44	3.42	3.38	3.55
Exchange rate (selling)	4.772	4.800	4.765	4.755	4.753	4.762	4.765	4.760	4.762	4.782	4.798	4,795	4.775
CHINA: Taiwan: (*million new Taiwan dollars*)													
Money supply	2,636	3,261	3,938	5,238	5,981	6,514	5,927	6,014	6,514	6,287	6,814		...
Currency: net active	1,604	1,883	2,228	2,927	3,277	3,426	3,127	3,113	3,426	3,132	3,330		...
Deposit money	1,032	1,378	1,710	2,310	2,704	3,088	2,800	2,901	3,088	3,155	3,484		...
Private time deposits	1,010	1,049	1,473	2,687	3,476	4,729	3,910	4,316	4,729	5,276	6,048	...	...
Government deposits	998	1,295	1,606	1,738	1,955	2,062	2,298	2,305	2,062	2,081	1,935	2,780	2,827
Bank of Taiwan	826	1,167	1,441	1,551	1,727	1,854	2,070	2,042	1,854	1,847	1,710	...	...
Other banks	172	128	164	188	228	208	226	263	208	234	225	...	...
Counterpart funds	1,405	1,485	1,651	1,553	1,835	2,624	1,809	2,122	2,624	3,004	2,884	2,415	2,487
Bank clearings △	2,887	3,857	5,121	5,410	6,892	8,695	8,797	8,794	9,194	8,914	9,945	10,917	11,188
Foreign assets (*net*)													
Bank of Taiwan	504	528	649	1,708	1,524	2,597	1,992	2,103	2,597	2,651	3,020	...	...
Claims on private sector[f]	1,960	2,198	3,043	4,122	5,684	6,694	6,337	6,473	6,694	6,848	7,520	7,737	7,858
Bank of Taiwan	402	470	731	1,023	1,091	1,135	1,201	1,128	1,135	1,104	1,230	...	...
Other banks	1,646	1,816	2,400	3,391	4,593	5,559	5,136	5,345	5,559	5,744	6,291	...	...
Claims on government[g]	1,687	2,020	2,361	2,374	2,604	3,178	2,721	2,924	3,178	3,501	3,336	3,918	4,132
Bank of Taiwan	1,652	1,974	2,311	2,286	3,293	2,895	2,394	2,613	2,895	3,157	2,987	...	...
Other banks	35	46	50	88	311	283	326	311	283	344	340	...	...
Claims on official entities[f]	2,046	2,563	2,905	3,350	3,707	4,359	3,579	3,866	4,359	4,316	4,908	4,933	4,884
Bank of Taiwan	1,948	2,473	2,827	3,248	3,608	3,939	3,426	3,661	3,939	3,935	4,478	...	...
Commercial banks	98	90	78	102	99	420	153	205	420	381	430	...	...

18. CURRENCY AND BANKING *(Cont'd)*

End of period

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
CHINA: Taiwan: *(million new Taiwan dollars) (Cont'd)*													
Exchange rate													
Buying:													
Sugar, Rice Exports . . .	20.35	20.35	20.35	36.08	39.70								
Other Exports:													
Government	20.35	26.35	26.35	37.58		39.85	40.00	40.00	39.85	39.91	40.04	40.01	40.03
Private	26.35	26.35											
Non-Trade	21.95– 29.05	24.68 29.05	24.68 29.05	36.08 37.58									
Selling:													
Government Imports . . .	24.78	24.78	24.78	36.38	36.38		36.38						
Other Imports	32.28	32.28	32.28	37.78	39.70	39.85		40.00	39.85	39.91	40.04	40.04	40.03
Non-Trade	24.78	24.78	24.78	36.38 37.78			40.00						
FEDERATION OF MALAYA and SINGAPORE *(million Malayan dollars)*													
Money supply	1,267	1,268	1,230	1,237	1,430	1,504	1,491	1,492	1,504	1,494	1,483	1,471	1,472
Currency: net active	861	892	889	892	1,013[r]	1,063	1,038[r]	1,053[r]	1,063	1,047	1,031	1,029	1,028
Deposit money	406	376	341	345	417[r]	441	453[r]	439[r]	441	447	452	442	444
Time deposits	338	320	305	355	462	559	510	545	559	570	583	593	615
Bank debits[h] . . . . △	1,438	1,600	1,679	1,628	1,762	1,956	1,865	2,030	1,983	1,866	2,019	2,243	2,217
Foreign assets[r]	1,547	1,468	1,375	1,460	1,760	1,804	1,824	1,809	1,804	1,742	1,710	1,688	1,810
Currency Board	965	992	1,004	1,082	1,379	1,440	1,431	1,426	1,440	1,444	1,424	1,432	1,413
Other banks (net)	582	476	371	378	382	364	393	383	364	298	286	256	397
Claims on private sector . . .	194	252	279	295	372	474	455	491	474	556	578	623	663
Claims on government	95	98	104	113	140	179	158	163	179	181	204	196	193
Exchange rate *(par rate)* . . .	3.06	3.06	3.06	3.06	3.06	3.06	3.05	3.05	3.06	3.06	3.07	3.07	3.06
HONG KONG *(million HK dollars)*													
Money supply													
Currency notes: in circulation .	727	732	755	772	838	931	900	902	931	935	944	945	945
Bank clearings . . . . . . △	1,160	1,276	1,412	1,309	1,480	1,925	1,856	1,870	2,071	2,131	2,297	2,096	2,084
INDIA *(thousand million rupees)*													
Money supply	20.47	21.79	22.76	23.50	25.21	27.37	27.02	26.31	27.37	29.01	28.72	28.08	27.98
Currency: net active	13.86	14.85	15.27	16.06	17.53	18.99	18.69	18.20	18.99	20.28	19.70	19.37	19.20
Deposit money	6.61	6.93	7.49	7.43	7.67	8.38	8.33	8.11	8.38	8.74	9.03	8.71	8.78
Private time deposits	6.13	6.98	8.93	11.40	13.98	14.30	15.07	14.77	14.30	14.14	14.39	14.58	14.84
Government deposits (Reserve Bank of India) . . .	0.70	0.73	0.72	0.79	0.90	0.85	0.87	0.86	0.85	1.12	0.80	1.03	0.91
Bank clearings . . . . . . △	6.52	7.03	7.41	7.96	8.99	10.11	10.06	9.74	10.80	11.12	10.89	11.13	10.55
Foreign assets (Reserve Bank of India)	7.75	6.48	4.15	3.07	3.31	2.70	2.75	2.57	2.70	2.54	2.32	2.16	2.61
Claims on private sector . . .	7.04	8.84	10.16	10.39	11.64	13.84	13.42	13.45	13.84	15.35	15.49	15.15	15.02
Commercial banks	6.78	8.48	9.61	9.65	10.57	12.49	12.22	12.12	12.49	14.00	13.87	13.53	13.46
Cooperative banks	0.26	0.36	0.55	0.74	1.07	1.34	1.20	1.33	1.34	1.35	1.61	1.62	1.56
Claims on government	13.93	16.78	21.73	26.19	28.78	29.40	30.37	29.45	29.40	30.02	29.93	30.21	30.41
Reserve Bank of India . . .	7.13	9.82	14.13	16.35	17.35	19.03	19.09	18.31	19.03	20.11	20.17	20.06	20.06
Other banks	5.74	5.96	6.63	8.84	10.58	9.41	10.33	10.24	9.41	8.83	8.74	9.11	9.33
Treasury currency[r]	1.06	1.00	0.97	0.99	0.83	0.95	0.95	0.90	0.95	1.03	1.07	1.04	1.02
Rates of interest *(% per annum)*													
Call money rate . . . . △	2.59	3.21	3.71	2.96	2.74	3.71	3.61	3.51	4.16	5.23	4.86	3.46	2.24
Yield of long-term gov't bonds[i]△	3.72	3.92	4.13	4.17	4.05	4.06	4.09	4.06	4.05	4.04	4.10	4.14	4.14
Exchange rate (selling) . . .	4.778	4.805	4.770	4.780	4.783	4.773	4.770	4.763	4.773	4.783	4.800	4.773	. . .
INDONESIA *(thousand million rupiah)*													
Money supply	12.23	13.39	18.91	29.37	34.89	47.84	42.64	43.34	47.84	48.69	48.49	. . .	. . .
Currency: net active	8.65	9.37	14.09	19.87	26.38	34.08	31.54	31.91	34.08	34.58	. . .	. . .	. . .
Deposit money	3.59	4.02	4.82	9.49	8.50	13.76	11.10	11.44	13.76	14.61	. . .	. . .	. . .
Private time deposits	0.33	0.29	0.29	0.34	0.18	0.33	0.20	0.20	0.33	0.42	0.44	. . .	. . .
Foreign assets (net)	2.77	1.68	1.26	2.48	14.75	18.40	18.36	17.51	18.40	15.17	13.49	. . .	. . .
Bank Indonesia	1.95	0.90	0.58	2.15	12.43	14.62	16.12	15.48	14.62	11.10	7.55	. . .	. . .
Gross foreign assets . . .	3.50	2.90	2.55	2.48	13.50	15.17	16.69	15.75	15.17	11.90	8.03	. . .	. . .
Foreign liabilities[j]	1.55	1.99	1.97	0.33	1.07	0.55	0.57	0.27	0.55	0.80	0.54	. . .	. . .
Other banks	0.79	0.76	0.68	0.33	2.32	3.77	2.24	2.03	3.77	4.06	5.94	. . .	. . .
Claims on private sector . . .	4.02	4.93	4.47	6.56	13.08	19.89	18.56	17.63	19.89	21.77	27.26	. . .	. . .
Bank Indonesia	0.86	0.86	0.77	1.77	2.46	1.39	3.63	2.21	1.39	1.76	2.21	. . .	. . .
Other banks	3.16	4.07	3.73	4.79	10.62	18.50	14.94	15.42	18.50	30.01	25.05	. . .	. . .
Claims on government	9.29	15.00	21.09	30.91	34.58	34.95	32.40	30.50	34.95	37.12[r]	39.82	. . .	. . .
Bank Indonesia	8.68	12.78	19.80	29.10	34.21	34.90	31.75	30.13	34.90	37.10	39.75	. . .	. . .
Other banks	0.02	1.69	0.67	1.03	0.90	0.50	1.04	0.80	0.50	0.39	0.41	. . .	. . .
Treasury currency	0.59	0.53	0.62	0.78	0.53	-0.45	–0.39	–0.43	–0.45	–0.36[r]	0.38	. . .	. . .
Exchange rate:													
Principal export rate	11.36	11.36– 13.57	22.7	30.3	36.0	45.0	36.0	45.0	45.0	45.0	45.0	45.0	45.0
Principal import rate	11.48– 22.95	11.48– 22.95	28.4– 42.6	37.9– 56.8	45.0– 67.5	45.0– 72.0	45.0– 67.5	45.0– 72.0	40.0– 72.0	45.0– 72.0	45.0– 72.0	45.0– 72.0	45.0– 72.0
Other import rate	34.42– 57.38	28.68– 57.38	56.8– 78.1	75.8– 104.2	90.0– 135.0	200.0	90.0– 135.0	200.0	200.0	200.0	200.0	200.0	200.0

18. CURRENCY AND BANKING *(Cont'd)*

End of period

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
IRAN *(thousand million rials, 20th of last month of period)*													
Money supply	20.22	23.59	27.69	36.33	39.96	...	42.82	44.37	...	...	...	...	...
Currency: net active	17.71	20.78	24.26	27.79	30.48	...	32.74	34.68	...	...	...	...	...
Deposit money	2.51	2.81	3.44	7.00	9.49	...	10.08	9.69	...	...	...	...	...
Private time deposits	4.12	5.31	5.79	7.30	9.80	...	10.37	10.93	...	...	...	...	...
Government deposits	4.08	4.57	6.07	8.08	11.28	7.79	8.79	9.09	7.79	...	...	...	...
Bank debits △	15.33	16.80	18.20	20.71	20.62	...	20.26	...	...	...	...	...	...
Foreign assets[k] (National bank)	7.11	8.44	18.57	19.13	16.12	13.86	13.03	13.46	13.86	14.32	...	...	...
Claims on private sector	9.72	10.82	13.98	22.61	32.24	...	37.17	39.54	...	...	...	...	...
National Bank	5.72	7.45	8.37	12.73	15.87	18.67	17.46	18.92	18.67	...	...	...	...
Commercial banks	3.99	3.36	5.61	9.88	16.37	...	19.70	20.62	...	...	...	...	...
Claims on government	11.07	12.64	13.81	14.73	13.33	16.64	13.66	15.00	16.64	...	...	...	...
Claims on official entities (National bank)	6.24	6.88	9.09	12.27	15.60	15.71	16.92	16.18	15.71	...	...	...	...
Exchange rate: selling	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	...	...	...
JAPAN *(thousand million yen)*													
Money supply	2,331	2,714	2,824	3,185	3,711	4,420	3,510	3,681	4,420	4,270	4,464	...	...
Currency: net active	627	721	750	795	604	1,097	822	800	1,097	923	1,023	...	...
Deposit money	1,705	1,993	2,074	2,390	3,107	3,323	2,688	2,881	3,323	3,347	3,441	...	...
Time deposits (other banks)	3,064	3,837	4,767	5,867	7,236	8,937	7,909	8,390	8,937	9,641	10,065	...	...
Government & Local Government	179	210	221	251	279	320	328	334	320	623	434	...	...
Bank of Japan	61	66	46	54	54	26	40	37	26	308	41	...	...
Other banks	118	144	175	197	225	294	288	297	294	315	392	...	...
Bank clearings △	2,750	3,342	4,264	4,745	4,775	5,581	5,327	5,577	6,380	6,466	6,913	...	...
Foreign assets	447	457	272	396	532	623	491	575	623	554	457	...	...
Bank of Japan	170	153	— 6	91	212	322	219	249	322	376	415	...	...
Foreign Exchange Fund	289	355	282	305	386	469	431	481	469	478	411	...	...
Other banks	— 12	— 51	— 4	—	— 67	—168	—158	—155	—168	-300	-368	...	...
Claims on private sector	4,684	5,917	7,253	8,501	10,287	12,868	11,255	11,959	12,868	13,876	14,700	...	...
Claims on government	427	442	448	652	798	876	587	535	876	850	573	...	...
Rates of interest (% *per annum*)													
Call money rate (Tokyo) △	7.36	6.57	10.94	9.69	8.43	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40
Yield of long-term gov't bonds[m] △	6.33	6.34	6.33	6.32	6.32	6.38	6.32	6.43	6.43	6.43	6.43	6.43	6.43
Exchange rate (*par rate*)	360.8	360.8	360.8	360.8	359.8	359.6	361.8	359.6	359.6	361.8	361.8	361.8	361.8
KOREA, Republic of (*thousand million hwan*)													
Money supply	93.5	120.9	145.1	192.6	209.9	219.1	206.9	199.3	219.1	215.1	245.6	261.7	273.9
Currency: in circulation	58.8	73.4	86.2	111.1	123.8	139.4	117.9	123.6	139.4	115.4	132.2	137.2	151.5
Deposit money	34.7	47.6	59.1	81.5	86.3	79.7	89.0	75.7	79.7	99.7	113.4	124.5	122.4
Uncleared checks and bills	– 6.0	–15.2	–13.2	–20.9	– 2.1	–40.8	–25.7	–41.0	–40.8	–41.1	–17.2	–18.1	–18.2
Time deposits[n]	10.0	16.9	17.6	24.0	63.4	62.1	74.0	62.6	62.1	61.3	62.8	66.7	...
Bank clearings △	107.4	207.7	201.2	226.9	292.3	396.6	361.9	404.9	459.7[r]	547.7[r]	416.3	262.0	301.0
Bank debits △	...	306.5	361.3	417.5	559.9	701.6	666.3	704.8	774.2	938.0	754.7	470.4	529.7
Government deposits	33.4	68.0	133.0	125.9	125.0	131.1	102.5	124.3	131.1	148.7	139.9	127.1	130.2
Counterpart funds	14.2	83.0	114.3	98.9	63.7	86.3	39.1	83.0	86.3	84.8	70.4	70.4	...
Foreign assets, Bank of Korea (*net*)	24.0	25.5	33.5	49.3	50.5	72.1	60.6	66.9	72.1	158.1	170.4	176.9	194.1
Gross foreign assets	47.4	48.6	57.0	72.4	72.7	100.9	89.3	96.2	100.9	218.2	230.8	236.2	252.3
Foreign liabilities[p]	23.4	23.1	23.5	23.1	22.2	28.8	28.9	29.3	28.8	60.1	60.4	59.3	58.2
Claims on private sector	42.7	76.9	113.5	162.8	187.0	246.8	209.9	218.1	246.8	259.8	268.3	271.7	...
Bank of Korea	5.5	5.8	5.9	5.4	5.9	5.8	6.8	6.5	5.8	11.5	11.5	11.3	
Other banks	37.2	71.1	107.7	157.4	91.5	241.0	203.1	211.7	241.0	248.0	256.8	260.4	
Claims on government	111.4	213.5	304.9	308.3	300.0	291.2	238.4	282.9	291.2	296.2	297.1	296.9	...
Bank of Korea	109.5	209.7	299.9	303.4	295.5	287.5	235.1	279.0	287.5	292.8	293.5	293.3	290.6
Other banks	1.9	3.7	5.0	4.9	4.5	3.7	3.3	3.9	3.7	3.4	3.6	3.6	...
Claims on official entities	3.5	5.4	9.6	17.5	17.4	18.6	17.8	18.4	18.6	18.6	18.6	18.6	...
Bank of Korea	2.7	4.0	8.0	16.0	16.0	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Commercial banks	0.8	1.4	1.6	1.5	1.4	2.2	1.4	2.0	2.2	2.2	2.2	2.2	...
Exchange rate (official)	500	500	500	500	500	650	650	650	650	1,300	1,300	1,300	1,300
PAKISTAN (*million rupees*)													
Money supply	4,369	4,923	5,234	5,502	5,762	6,162	5,856	5,744	6,162	6,157	5,869	5,827	5,780
Currency: in circulation	2,990	3,466	3,583	3,742	3,844	4,182	3,815	3,659	4,182	4,064	3,846	3,773	3,741
Deposit money	1,380	1,457	1,651	1,760	1,918	1,980	2,041	2,085	1,980	2,092	2,023	2,054	2,039
Time deposits	889	968	1,083	1,180	1,454	1,592	1,416	1,540	1,592	1,648	1,724	1,650	1,655
Bank clearings △	593	696	761	789	980	1,231	1,197	1,181	1,350	1,319	1,339	1,398	1,226
Government deposits	163	61	69	65	200	112	124	126	112	47	70	156	244
Foreign assets (State Bank of Pakistan)[q]	1,774	1,854	1,594	1,485	1,908	1,978	1,909	1,860	1,978	2,093	1,879	1,821	1,764
Claims on private sector (scheduled banks)	1,183	1,256	1,294	1,314	1,509	1,968	1,563	1,539	1,968	2,095	2,124	2,171	2,168
Claims on government	2,612	3,218	4,044	4,439	4,505	4,699	4,517	4,644	4,699	4,717	4,764	4,723	4,731
State Bank of Pakistan	1,338	1,848	2,507	2,791	2,658	2,848	2,770	2,812	2,848	2,862	2,948	2,912	2,909
Other banks	1,036	1,119	1,260	1,367	1,558	1,612	1,517	1,614	1,612	1,610	1,579	1,578	...
Treasury currency	238	261	276	280	288	239	229	217	239	245	236	232	...
Claims on provincial governments	122	117	228	256	271	326	301	270	326	276	207	246	211
State Bank of Pakistan	12	2	119	122	93	131	125	74	131	83	15	54	19
Scheduled banks	110	115	109	134	178	195	176	197	195	193	192	192	192
Rates of interest (% *per annum*)													
Call money rate △	1.45	2.04	2.03	1.66	1.53	3.42	3.32	2.38	4.11	4.35	3.54	3.75	3.75
Yield of long-term government bonds[s] △	3.15	3.15	3.20	3.20	3.25	3.50	3.48	3.50	3.56	3.65	3.68	3.69	3.70
Exchange rate (selling)	4.782	4.805	4.778	4.785	4.790	4.780	4.775	4.770	4.780	4.792	4.805	4.800	4.778

18. CURRENCY AND BANKING *(Cont'd)*

End of period

	1955	1956	1957	1958	1959	1960	1960			1961			
							II	III	IV	I	II	Jul	Aug
PHILIPPINES (*million pesos*)													
Money supply	1,336	1,499	1,598	1,738	1,842	1,902	1,800	1,790	1,902	1,947	2,026	2,010	...
Currency: net active	670	718	781	818	894	949	853	888	949	943	944	941	...
Deposit money	666	780	817	919	948	953	947	902	953	1,005	1,082	1,069	...
Private time deposits	586	658	803	868	1,032	1,158	1,035	1,087	1,158	1,247	1,355	1,432	...
Bank clearings △	614	739	876	915	*1,058*	...	...	...	...	1,315	...	...	...
Bank debits[t] △	921	1,145	1,335	1,492	1,768	1,978	1,960	2,067	2,001	1,845	...	...	...
Government deposits	185	274	166	224	278	311	377	349	331	393	505	542	496
Central Bank of the Philippines	52	105	54	153	207	251	312	273	251	313	418	447	389
Philippine National Bank	133	168	113	71	71	80	65	76	80	80	87	95	107
Foreign assets (*net*)	418	450	201	182	311	441[r]	407	431	441[r]	446	398	382	...
Central Bank	310	322	62	75	165	297	252	312	297	288	207	223	214
Other banks	108	128	139	107	146	144[r]	144	119	144[r]	158	191	159	...
Claims on private sector (other banks)	1,106	1,254	1,513	1,588	1,779	1,963	1,806	1,872	1,963	2,031	2,198	2,259	...
Claims on government	591	730	804	929	1,026	989	1,019	978	989	1,030	1,220	1,139	...
Claims on official entities	226	268	376	462	501	559	528	523	559	597	591	676	...
Central Bank of the Philippines[u]	185	198	315	393	418	485	442	439	485	514	508	587	...
Other banks	41	68	60	69	84	74	86	84	74	83	83	89	...
Exchange rate (selling)	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015
THAILAND (*million baht*)													
Money supply	7,227	7,728	8,197	8,452	9,076	10,066	9,146	9,404	10,066	10,587	10,237	10,378	10,485
Currency: net active	5,179	5,424	5,573	5,504	5,785	6,045	5,593	5,708	6,045	6,465	6,030	6,045	6,012
Deposit money	2,048	2,304	2,624	2,948	3,292	4,020	3,533	3,696	4,020	4,122	4,207	4,333	4,473
Time deposits	776	1,192	1,469	1,770	1,899	2,331	2,072	2,239	2,331	2,416	2,497	2,591	2,696
Government deposits	516	588	639	679	880	1,446	928	984	1,446	1,616	2,043	2,160	2,401
Bank of Thailand	326	438	394	469	474	993	515	517	993	1,070	1,475	1,626	1,858
Deposit money banks	190	150	245	212	407	453	413	467	453	546	568	534	543
Bank clearings △	2,598	2,816	3,095	3,451	3,764	3,966	3,765	3,790	4,189	4,846	4,579	4,540	4,938
Bank debits	3,600	4,698	4,727	5,002	5,495	6,384	6,064	6,190	7,005	7,784	7,452	7,436	7,273
Foreign assets (*net*)	6,078	6,225	6,396	6,124	5,898	6,957	6,321	6,486	6,957	7,581	7,646	...	...
Bank of Thailand	4,759	5,065	5,401	5,303	5,203	5,802	5,398	5,415	5,802	6,433	6,697	6,832	6,922
Deposit money banks	67	− 80	− 31	− 4	−270	−248	−258	−322	−248	−236	−434	−332	−211
Exchange Fund	1,252	1,240	1,026	825	966	1,403	1,191	1,403	1,404	1,384	1,383	...	...
Claims on private sector	2,644	3,219	3,712	4,354	4,913	5,762	5,265	5,815	5,762	6,178	6,102	6,320	6,255
Claims on government	4,554	5,674	5,552	5,974	6,520	4,542[r]	5,977	5,969	4,542[r]	4,343[r]	4,425	...	...
Treasury bill rate (% *per annum*) △	2.26	2.28	2.27	2.91	2.99	3.35	2.97	2.99	4.41	4.16	4.42	4.43	4.91
Exchange rate (selling)	20.91	20.66	20.90	21.10	21.18	21.14	21.19	21.19	21.14	21.09	21.04	21.04	21.04
VIET-NAM, Republic of (*thousand million piastre*)													
Money supply	12.39	12.16	10.97	11.71	14.07	16.77	15.37	16.36	16.77	18.21	17.73	17.33	17.22
Currency: net active	6.78	8.26	7.56	7.86	8.91	11.23	10.06	10.69	11.23	12.71	12.40	12.12	12.02
Deposit money	5.62	3.90	3.41	3.86	5.16	5.54	5.31	5.67	5.54	5.50	5.33	5.21	5.21
Time deposits	0.70	1.26	0.85	1.08	1.15	1.28	1.02	1.22	1.28	1.24	1.24	1.33	1.40
Bank clearings △	3.13	2.86	3.20	3.21	3.43	4.10	3.98	4.21	4.38	4.88	...	...	...
Foreign assets (*net*)	4.29	4.58	4.70	5.66	6.19	7.39	6.59	7.21	7.39	7.06	6.76	6.57	6.30
Banque Nationale du Viet-Nam	4.36	4.62	4.40	5.33	5.84	7.26	6.47	7.12	7.26	6.96	6.73	6.52	6.27
Other banks	−0.06	−0.04	0.30	0.33	0.35	0.13	0.12	0.09	0.13	0.10	0.03	0.05	0.03
Claims on private sector	1.62	1.81	3.22	3.01	3.67	4.34	4.15	4.35	4.34	6.05	5.38	5.39	5.48
Claims on government	13.13	12.35	11.62	12.32	13.21	13.48	13.00	13.25	13.48	13.02	13.24	13.04	13.06
Exchange rate:													
Official rate	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Controlled free rate	—	—	73.00	73.50	73.50	73.50	73.50	73.50	73.50	73.50	73.50	73.50	73.50

GENERAL NOTE: *Net active currency:* Total currency outstanding less holdings in all banks including the central bank and in government treasuries. *Currency in circulation:* Total currency outstanding less holdings in all banks including the central bank. *Deposit money:* Private deposits in all banks, subject to cheque or withdrawable on demand, excluding inter-bank liabilities. *Government deposits:* Including government currency holdings. *Bank clearings:* Total value of cheques and other collection items cleared through clearing houses. *Claims on private sector:* Claims by the banking system arising from the rendering of loans and advances, discounting of bills, the holding of securities in private companies, etc. *Claims on government:* Holdings of government bonds, treasury bills and government guaranteed securities by the banking system, plus circulation of treasury currency. *Rates of interest:* Rates prevailing in the capital city, except for India, where Bombay rates are used. *Call money rate* is inter-bank rate on money at call. *Exchange rates* are shown in unit of national currency per US dollar.

For the detailed explanation see IMF: International Financial Statistics.

△ Monthly averages or calendar months.

a. Deposits of State Boards in State Commercial Bank (excluding the State Agricultural Bank).

b. Including a constant amount of 99 million kyats, which is the value of a promissory note issued as cover for the currency issue.

c. 5 year treasury bonds.

d. Debits to demand deposits of private sector.

e. 3% national development loan 1965-1970 to earliest redemption date.

f. Including bank's holdings of stocks and debentures.

g. Including the counterpart of post office demand deposits.

h. Cheques sent out for local clearing and debits to current deposit accounts.

i. Running yield of 3% consols 1986 to earliest redemption date.

j. Payments agreement liabilities, mainly to Japan and the Netherlands.

k. Foreign assets were revalued in May 1957. The revaluation proceeds (7 billion rials) are held by the National Bank and are to be used for long term development.

m. Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated.

n. Including deposits of local government and government institutions in commercial banks and non-governmental foreign currency deposits in Bank of Korea.

p. Clearing accounts with Japan.

q. Including outstanding assets receivable from the Reserve Bank of India under the partition agreements; excluding foreign assets of Banking Department.

s. Yield to maturity of 3% bonds 1968.

t. Total debits to checking account of private sector.

u. Including a constant amount of 107 million pesos from 1952, representing the difference between foreign assets transferred from the Treasury and its note and coin issue, for which the Bank assumed liability.

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